

# FAR EASTERN ECONOMIC REVIEW

Vol. XXV

Hongkong, September 4, 1958

No. 10

The Development of the New Territories .....	289	Hongkong	
Recent Soviet Historiography .....	294	Hongkong Notes and Reports (HK Worries & Problems; HK Farmers to Borneo; HK vs. Lancashire; 'Know Hongkong'; Housing for Workers; Subway Under Connaught Road; Reclamation Work; New School; New Magistracy; Imports of Rice, Frozen Meat and Coal) .....	310
Japan		Finance & Commerce	
Population Problems of Japan .....	298	Hongkong Exchange Markets .....	314
Japanese Economic Reports .....	305	Hongkong Share Market .....	314
China		Hongkong Trade Reports .....	315
Reports from China .....	307	Hongkong's Trading Partners (Part 7) .....	318
Philippines		Hongkong Statistics (January/June 1958) .....	320
Reports from the Philippines .....	309		

## THE DEVELOPMENT OF THE NEW TERRITORIES\*

By T. R. Tregear Ph.D. and L. Berry M.Sc.

(Geography Department, University of Hongkong)

In the convention for the extension of the territory of Hongkong it was the "proper defence and protection of the Colony" that was cited as the main factor making more land necessary. Today this additional land is an essential part of the Colony. Apart from defence, water supply depends on this leased land; the area is increasingly used as a recreation zone for the urban population and a large part of that population now lives on leased territory.

The general layout of the territory as it was taken over is shown on a map made by an Italian Missionary in 1866. This covered the whole of the Sun On district and part is reproduced as Map 20.<sup>1</sup> Much other useful information is available in the first report on the New Territories written after a 12 day inspection by a team of observers from H.K.<sup>2</sup> Unfortunately the take over was not completely peaceful. Villagers in several areas became very apprehensive over the change of government and visiting police and soldiers were attacked by considerable crowds. Disorders continued for some time and a body of troops had to be despatched by launch to Taipo.<sup>3</sup> The villagers were quite well organised but poorly armed and although at one time "a crowd of 2,600 men—in the neighbourhood of Kam Tin—advanced across the open in excellent skirmishing order"<sup>4</sup> the villagers eventually realised matters were hopeless. With assurances that customs and land ownership would be respected, order was gradually restored.

Reports of the early visitors told of the richness of the lowlying lands, which exported rice to San Francisco, considerable reclamation that had already been carried out to extend rice cultivation, and neat well-kept villages. Besides rice; sugar cane, indigo, hemp, peanuts, potatoes, yam, taro and beans also occupied a large amount of land. Even then many of the lower hills were covered with artificial pine plantations used as a cash crop.

A considerable amount of village industry also existed, partly encouraged by nearby Hongkong, partly indigenous. Lime burning was much more widespread than at present,<sup>5</sup> bricks were produced; there were salt pans in several locations as well as scattered ship building centres. At Tsun Wan the modern industrial suburb was foreshadowed by a joss stick factory powered by water wheels.

Communications were mainly by paved paths up to 5' wide and many of these old routeways are still used in remoter parts of the Colony. It was estimated on available records that 100,000 people scattered throughout 423 villages, lived in the

N.T. on take over. The Hakka, estimated at 36,000, occupied 255 settlements reflecting their location in tiny hamlets on the less favorable land. The Punti or Cantonese generally lived in larger villages of which San Tin (3,000), Kam Tin (2,400), Sheung Shui (1,800), Kau Lung (1,200), Tai O (3,000) and Cheung Chau (5,000) were the most important. Sham Shui Po (1,500) and Saikung (800) were the largest Hakka villages.

Early suggestions on the use of the N.T. were very enthusiastic. The development of Lantau as a holiday centre was foreseen, yet has been realised only in the postwar years. Another scheme suggested large scale cotton production on the unused hillsides. If this had been practicable it would have been a boon to our textile industry today. The first immediate need was adequate communications, a fact brought home in the hostilities.

After effective control had been achieved, plans were pushed forward for a land survey to settle the many outstanding land problems. Much of the retained had never been reported to the Chinese authorities and no proper titles were available. However, this delicate problem appears to have been successfully handled; the survey was completed in about three years and most of the disputes were easily settled. The former taxlords who derived much revenue from this position were given 252 acres of land in compensation for the take over of their duties by the Hongkong Government. This total was shared between the 14 eligible elders. Most land trouble arose from areas near the former British frontier as here speculators were at work.

The first 13 years of development are summarised in a report published in 1912.<sup>6</sup> At the end of this period few outward changes had affected the agricultural population. Remote agricultural land had been given up because of increasing chances of better paid work in the towns and the pineapple cultivation around Tsun Wan had developed rapidly with nearby market facilities.

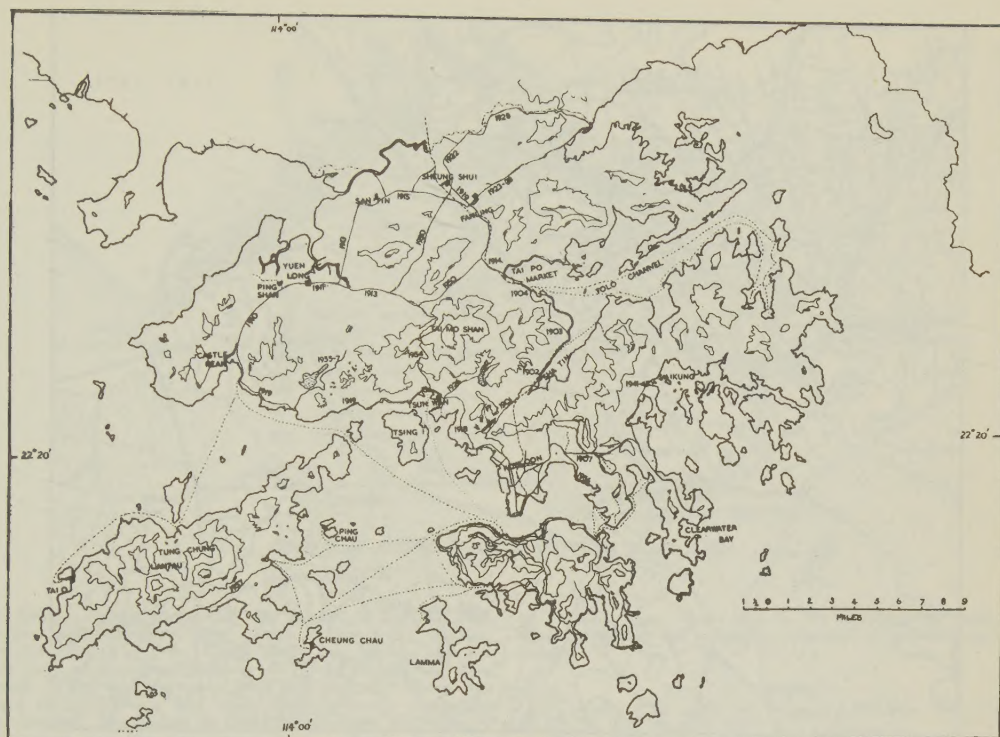
It is interesting to note the variety of wild life that still existed in the Territory this short while ago. Deer were common, while foxes, wild cats and wolves made frequent appearances. Rare attacks by wandering tigers were also well recorded events.

\* This is the 7th article in the copyrighted series of 'The Development of Hongkong' which began in the issue of July 10, 1958.









MAP 21 — DEVELOPMENT OF COMMUNICATIONS IN THE NEW TERRITORIES SINCE 1899

regular ferry services (excluding cross harbour) are shown on Map 21 and these link most important centres with H. K. Island. However from these ferry termini innumerable sampans, official or otherwise, run feeder services to still more outlying villages.

\* \* \*

Reclamation in the N.T. generally falls under three categories: for extension of agricultural land, for the extension of the market towns and for industrial units set up in the N.T.

Under the first heading considerable land had already been reclaimed before the area came to British control. These plots are often near Hakka villages and are particularly noteworthy in the Sha Tau Kok peninsula where nearly every valley is extended seaward by a 10-15 foot high wall, built in two tiers and wide enough to run a small car across. River water is guided out through large wooden shutters which are closed at high tide. The whole work represents the result of a large amount of co-operative labour though little appears to be known of their construction and history.

In this century the main expansion of land seaward has been in the area North-west of Yuen Long. In 1919 a group, organised as a company, reclaimed 1,200 acres of salt-water paddy near Ping Shan, established a village and still live off the land. In 1920 when the success of this venture became obvious, negotiations by local villagers for larger reclamations between Mai Po and Sha Pui were started. This scheme was initially held up by the Kam Tin villagers upstream, who feared that with modification of the stream course their land would become more liable to flood. The issue threatened to develop into a lasting feud but in 1922 a compromise plan was agreed on and the Mai Po section of the reclamation was completed the following year. The land boom of this period brought a host of plans for further works but with the recession in 1924 these were quietly dropped. Other sections of the Yuen Long marshes were reclaimed in

sections during the following years. Many other small scale schemes have been carried out in scattered localities but none rank in importance with this extension.

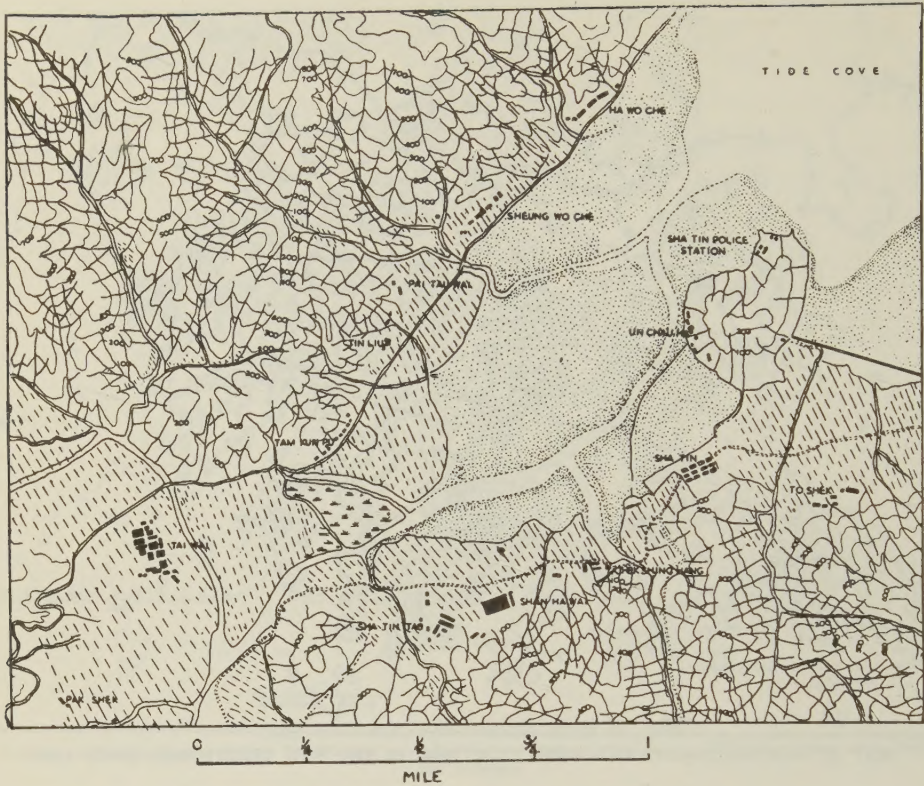
Reclamations for industrial use have mainly been in sheltered locations near the main lines of communication. Tsun Wan is a very favorable centre for such growth, it is well sheltered, fronted by a shallow bay and has easy communications with Kowloon by road and Hongkong by sea. Filling in here started in 1926 on the Western side of the bay continuing for 4 years, while the nearby Texaco reclamation started in 1932. This really marked the beginning of the present industrial suburb. (Map 24). The reclamation for the brewery was the other main pre-war project.

With the growth of communications, the reorientation of some aspects of agriculture and a general expansion of population, it was perhaps inevitable that some market towns should develop. New communication centres provided a focus for rural commerce around which towns grew. Yuen Long, Fanling, Tai Po and Sha Tin are the most important of these modern centres. As they developed expansion meant either encroachment on agricultural land or, when near the shore, reclamation.

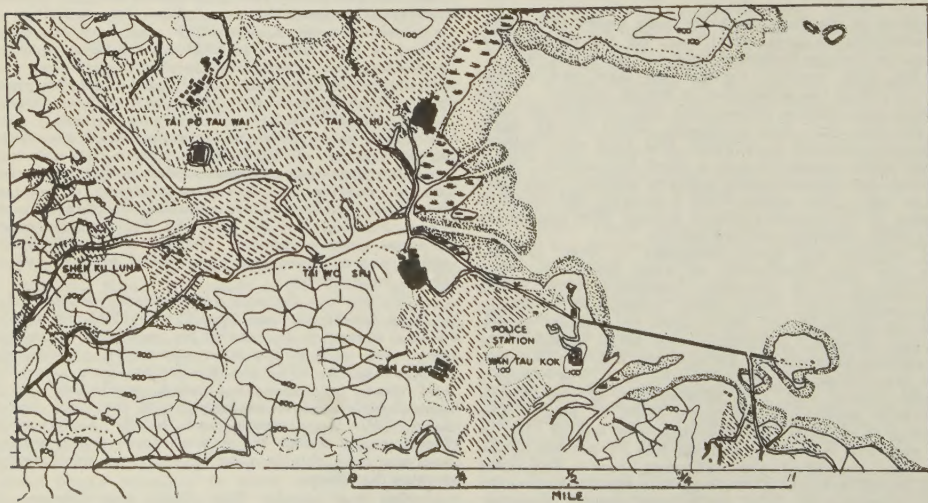
Tai Po was the new administrative centre and the market quickly developed, (see Map 23 for 1902 situation). In 1912 it was necessary to expand by reclaiming from the creek to the north, and it has since grown by pushing seaward and northward. In 1917 the developing Yuen Long followed suit and steady expansion continued, emphasised in 1931 by a considerable planned reclamation of the creek and three years later "40 large shops and family houses were built". Development at Sha Tin is much more recent much of it being post-war and this is now becoming a small dormitory town serving Kowloon.

On the islands, Ping Chau and Cheung Chau have registered the greatest growth. Cheung Chau was an im-

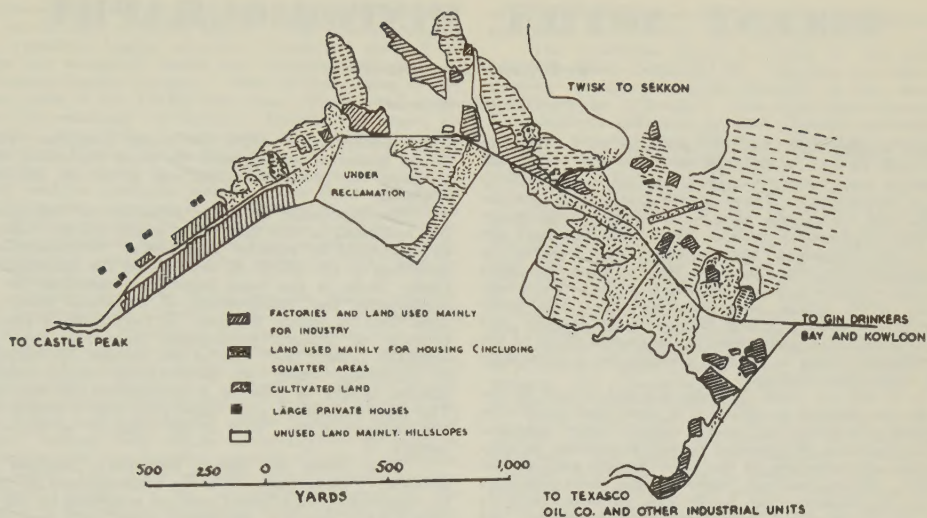




MAP 22 — SHATIN VALLEY IN 1902



MAP 23 — TAIPO IN 1902



MAP 24 — DEVELOPMENT OF TSUN WAN AREA

portant fishing centre and as it was served by ferries from the earliest day and land was cheap, it expanded rapidly. Missionaries on leave from China built rest houses on the southern part of the island and, by 1913, 30 bungalows were completed. This function as a rest and holiday centre has continued to the present day when there is hardly room for further housing expansion in the areas near the village. Similar factors and the remoteness from authority have encouraged small scale village industry which together with fishing now supports a population of over 27,000. Ping Chau lacks the space and harbour of Cheung Chau but appears to owe its size partly to its position in relation to East Lantau, partly to relative remoteness and cheap land which have encouraged some small industrial development. As in Cheung Chau these advantages seem to have outweighed even the lack

of water. Ping Chau has to be supplied by sampan and Cheung Chau has recently obtained a piped supply from Lantau.

NOTES

<sup>1</sup> A photostat of the original with village names and other details is available at the Dept. of Geog. and Geol. H.K.U.  
<sup>2</sup> Papers relating to the extension of the Colony of H.K. H.K. Gov. Sessional Papers 1889.  
<sup>3</sup> Reports relating to disturbances in the N.T. H.K. Gov. Sessional Papers 1889.  
<sup>4</sup> Remains of old lime kilns, burning coral and shells, may be seen at many places particularly around Starling Inlet and at Tai Po.  
<sup>5</sup> Report on the New Territories 1899-1912. Hongkong Gov. Sessional Papers 1912 p. 43-63.  
<sup>6</sup> Post-war developments are dealt with in a later article.  
<sup>7</sup> Departmental Reports, New Territories, 1934.



# RECENT SOVIET HISTORIOGRAPHY

By Professor Alexander Dallin

(Columbia University)

No other regime has tried so hard and so brazenly to rewrite the past to suit its political needs as has the Soviet Union. Step by step, history has been reduced to an ancillary instrument of propaganda. There is only one official, mandatory version, and with each change of tactics inconvenient historical figures and events (and at times historians, too) are relegated to the Orwellian memory-hole. The reversal in historical interpretation that followed Stalin's death has been somewhat more complex and far reaching than its predecessors, however. By 1953, Soviet historiography—like most other fields of endeavor—had reached the nadir of sterility and rigidity. Personally and professionally insecure, subject to the wiles of charlatans, many a scholar yearned for a breathing-spell and a reassertion of truth.

While it is still too early to judge the full impact of the "new era" by the finished products, it is clear that two trends have converged to produce the present turn in Soviet historical writing. One has been the general climate of greater security and relaxation—characteristic of the more flexible approach of the new rulers. In this spirit of "more breadth, more elasticity, more daring," the historian has finally won an opportunity to voice, with seeming impunity, judgments which heretofore had been but mental reservations.

In addition, however, the new leadership has been as eager as the old to rewrite the past to bolster its own status, to find new heroes and new scapegoats. Even while attacking the Stalinist practice of labeling foes as enemies of the people, Khrushchev calls Beria an enemy of party and state; and while the adulation of Stalin is now dismissed as a despicable "cult of the individual," Lenin is made the object of a similar cult. A byproduct of this officially inspired search for a new legitimacy happens to be increased opportunities for somewhat less distorted writing of history.

This "new era" was not born overnight. While laudatory references to Stalin declined rapidly after his death, most writings continued to present the recent past in Stalinist terms. Continued intolerance and intransigence were mixed inconsistently with revisions of particularly abhorrent interpretations.

Sometime in the winter of 1954-55 a decision seems to have been adopted to end the years of enforced academic isolationism and resume some contacts with the outside world. The Soviet Union agreed to participate in the International Conference of Historical Science in Rome in September 1955, and to join the UNESCO project on the history of science and culture. By mid-1955 the politically opportune position was that "history can nowhere lead an isolated existence." As in the 1920's, limited collaboration was possible even with non-Communists.

At the same time, an increasing sense of personal independence and security among historians was discernible when they were told not to idealize the recent past "as a smooth, linear road, as an utter victory parade," or when, in an instance of courageous integrity, one historian accused another of writing "as if all were clear, as if there were no room for discussion, and as if all that remained to be done was to repeat once again quotations which everybody knows only too well." Indeed, one could increasingly sense camouflaged attempts to push beyond the old framework and raise questions that had been taboo for years.

All this was a carefully controlled prelude to the "new era," which in the field of history was ushered in several months before February 1956 when the Twentieth Congress of the Communist Party staged a political "turn." In October 1955 a conference of historians, held to discuss a new volume of Russian historical writing, bared "serious doubts and disagreements" on a number of basic problems. The official spokesman summarized "the general defects in our historical science" frankly as:

... an attempt to isolate Russian historical science from Western European, an immodest insistence on its superiority, a nihilist attitude toward pre-Marxian science, its reduction to a mere accumulation of factual knowledge, an effort to idealize past representatives of Russian social thought. . . .

Four months later, when the party Congress was told that Soviet historical writing was the most backward of the social sciences, the new revisionism was given the highest stamp of approval.

The anti-Stalin campaign launched at that Congress gave the historians a new task. As usual, specific charges had to be reinforced by broader "theoretical" formulations—this time centering in the attack on the role of the individual in history. Under Stalin it had been imperative somehow to uphold the inevitability and omnipotence of historical laws, and at the same time to inflate the part of the Leader's genius. A byproduct of Stalin's posthumous demotion was a shift of emphasis toward the "role of the masses" in history. Dozens of politically timely but substantively empty pamphlets and articles sought to provide a foundation for this new course. The loyal historians even discovered that Pushkin and Herzen had recognized the "role of the masses" as prime movers of history.

These were the Soviet historian's habitual tributes to authority. More basic were the consequences of the invitation to review the entire Soviet past, as proffered by the ban on the official *Short Course of the History of the CPSU* and the so-called *Brief Biography of Stalin*. In closed session, Khrushchev lashed out against these works, while Mikoyan made the first public criticism of the *Course*—which until then had been considered sacrosanct as Stalin's own "unequaled model of a scientific, Bolshevik statement of history."

Initially, the leadership made known its views on only a few isolated events in party history. Yet there was a need, sensed by both politicians and historians, to do a more conscious job of rewriting. Who, after all, was still an enemy and who was not? When and how did Stalin become a villain? What had been suppressed and falsified in his days? The immediate impact of the new "line" was confusion and flux. It was necessary for the party to give guidance, and it was the historical journal, *Voprosy Istorii* [Problems of History], which was made the official medium for revisions and the vehicle for "rehabilitations"—the by-word of the new era.

## Rehabilitations: Not All Is Forgiven

The process of rehabilitating individuals previously purged or tacitly dropped from grace combines the present leadership's denigration of Stalin with a realization that it is politically profitable to correct such injustices—albeit posthumously. It began soon after Stalin's death with the unheralded reappearance of some surviving victims. Wholesale rehabilitations, however, came to public attention only after Mikoyan's speech of February 1956.

The butt of his attack was a book published in 1954, which attributed to two old Bolsheviks, Vladimir Antonov-Ovseyenko and Stanislav Kosior—both purged by Stalin—responsibility for anti-Bolshevik activity in the Ukraine during the Civil War. The volume had been officially acclaimed as a model of writing on Soviet problems and reviewed as a "great, valuable work." It was tragi-comically reminiscent of Stalinist practice, therefore, when in the wake of Mikoyan's strictures the historical journal "re-reviewed" the book. Now it was called "a model of how not to write history," and the author was exposed for wilful distortions and suppressions of facts.

The same review in passing gave favorable mention to two prominent victims of Stalin—Mykola Skrypnyk and Andrei Bubnov. This was typical of the oblique fashion in which Bolsheviks, dead or alive, were being restored to grace. Articles deplored the omission in various studies of such "vanished" party stalwarts as Chubar, Postyshev, and Rudzutak—men whom Khrushchev had in effect exonerated in his secret speech of February 25. Next came a group of Red Army commanders who had vanished during the Great Purges: historians were encouraged "to show the merits of outstanding commanders and political workers commissars of the Red Army" like Marshals Blücher, Gamarnik, and Egorov.



For several months, both dictation and ambiguity were paramount in the field of Soviet history. The explicit restorations have remained highly selective: Trotskyites as well as Bukharinites are excluded; Radek and Tomsy, Zinoviev and Kameney remain outside the pale. None of the victims of the public show trials of the 1930's have been rehabilitated under the current "unrewriting" of history. Equally important, no non-Bolsheviks have been exonerated: the entire process remains restricted within the party fold.

A number of issues in party history are still treated ambiguously and in confused fashion. The figure of Stalin himself, as it stands at present, is an aggregate of contradictory elements. While according to Khrushchev he was "bad" from 1934 on, other materials have shown him espousing an anti-Leninist position on revolution in the spring of 1917 and on nationality policy in 1922.

Only gradually are such inconsistencies being resolved. Meanwhile pre-Bolshevik revolutionaries and non-Bolshevik Marxists such as G. V. Plekhanov are again placed in a somewhat more rational—though still "partisan"—light. Intraparty disputes of the 1917-27 era emerge in a slightly more factual version, and future students may at least be able to consult standard (but also thoroughly Bolshevik) histories of the party by Bubnov, Popov, and Yaroslavsky, which had been proscribed under Stalin. Indeed, they will be encouraged to go back to original sources and stenographic records of past Communist gatherings, which (for good political reasons) have become "bibliographical rarities." An important change is the admission that anti-Leninist Bolsheviks, both before and after 1917, were sincere opponents and not merely "cliques of exposed spies and wreckers" or "agents of hostile classes." Their arguments—still emphatically rejected and denounced—may now be discussed on their merits and not in the official caricature of recent years. In substance, then, party history has returned to pre-1934 orthodoxy, rejecting many of Stalin's subsequent deeds but endorsing the Bolshevik "general line" against rightist and leftist opposition.

#### Pokrovsky Redivivus?

The towering figure—and victim—of Soviet historiography was Mikhail N. Pokrovsky. Once the unchallenged Bolshevik master historian, he was in the 1930's subjected to a posthumous attack which highlighted the party's interference in the field of history. A series of decrees (over Stalin's, Korov's and Zhdanov's names) demanded, among other things, greater "appreciation of the national past" and greater stress on leading personalities in history. Pokrovsky had rejected these as "bourgeois" and "idealist" theses—a view intolerable under full-blown Stalinism, and the leading Soviet historians were rounded up to denounce him as a "hireling of fascism."

In spite of his extreme economic determinism and "sociological schematism," Pokrovsky's latently anti-Stalinist record made him a candidate for resurrection. The rewriting did not come easily. Only in the spring of 1955 did the switch become apparent: the new Soviet encyclopedia carried an article on Pokrovsky which, while not favorable, was at least factually correct. Since then references to him have multiplied: he may again be discussed as an extremist who had erred but had done valuable work.

A somewhat more modest reappraisal has been accorded to Russian "bourgeois" historians. Though still violently scored on ideological ground, they may (as in the 1920's) be cited and discussed. Thus Soloviev, Kliuchevsky and Rostovtsev are again part of the national heritage. A veteran medievalist may again refer favorably to non-Communist Russian scholars like Maxim Kovalevsky, Sir Paul Vinogradoff, and Dmitri Petrushevsky. As the head of the Soviet Academy's Institute of History declared:

While critically examining the heritage of prerevolutionary historiography, Soviet historians by no means jettison the findings of its concrete investigations, just as they do not discard the valuable factual results of investigations of contemporary foreign authors who adhere to a different methodology.

It was convenient to reduce the gap between Soviet and Western historians to one of methodology. This enabled Soviet scholars to extend their toleration to some Western historians as well. A new volume on Russian historiography, published in 1955, soon came in for attack as excessively derogatory toward non-Soviet scholarship. Negative references to de Toqueville, Herder, Dahlmann, Lefebvre were called too crude

or mechanistic: not all non-Soviet and pre-Marxian history, it now turns out, was *ipso facto* unscientific.

The pendulum began to swing to the other extreme. Historians were castigated for "ignoring the influence of progressive Western European thought on the development of historiography in Russia." One could again discuss Hegel's or Montesquieu's influence on their Russian contemporaries, and travelers reported that "Western influences"—taboo for years—became favorite dissertation topics in Moscow and Leningrad.

#### From Ivan to Shamil: Turning Back the Clock

Along with Stalin, his favorite historical protagonists came in for denigration. The prime exhibit for this reversal is Ivan the Terrible. As late as 1955 Robert Wipper, the old historian who had raised Ivan to a peculiar respectability of political craft and statesmanship, was praised for his "correct evaluation of Ivan's personality." But a year later, just previous to Khrushchev's attack on the "Stalin myth," Ivan the Terrible was proclaimed to have been just another unworthy object of the "cult of the individual." Marshal Suvorov, much extolled as a military genius, came in for severe strictures for suppressing the "progressive" Pugachev uprising and fighting against the French Révolution.

Even more basic was the termination of the ludicrous "Russia First" spirit, the insistence on Great Russian predominance and priorities in inventions. Lifting the ban on "foreign influences" was a relatively simple matter, and a systematic "debunking" of earlier falsifications (such as the claim of the invention of the airplane by Mozhaisky in 1882) proceeded apace. The reassessment of the Tsarist past was a more critical matter. Now one could again attack the "idealizing" of Russia's role in the Crimean war and in nineteenth century Far Eastern politics. Yet the key issue was that of Tsarist annexations.

Pokrovsky's downfall has ushered in the politically convenient theory that Russian conquest of neighboring nationalities had been culturally and economically a progressive development and hence a "lesser evil" than permitting them to stagnate or fall under British rule. One of the purposes of this thesis was to bolster the sense of "fraternity" between Russians and non-Russians within the empire. The same drive for multinational cohesion—now minus the overtones of Russian chauvinism—still obtains. Hence there is considerable reluctance to jettison the theory of the lesser evil in its entirety. Yet, as one historian commented publicly, for a while all national movements in Central Asia had been considered progressive; then "certain comrades" came to regard them all as reactionary. They could not be both. What was to be done? The authorities apparently preferred to sidestep the issue. If after Stalin's death "the thesis about the progressive nature of the annexation of non-Russian peoples was no longer controversial," in 1956 it was still being maintained—a bit apologetically—that the conquests had their "progressive side."

A natural candidate for rehabilitation was Shamil, the North Caucasian independence fighter of the mid-nineteenth century. Considered a popular hero in the early Soviet era, he fell prey to the efforts of the Zhdanovites to deny the positive nature of anti-Russian resistance movements. After World War II Shamil was subjected to a viciously hostile "review," which was forced upon an exceptionally reticent professional audience. Only in mid-1955 did Moscow publish a piece which in effect assailed his condemnation. While not daring to defend him, the author denied that Shamil had been a mere tool of the Turks or the British. Now the whole "distortion" is conveniently blamed on Mir Dzhafar Bagirov, former boss of Azerbaijan, who was executed in 1956 as an associate of Beria. The most recent version is that, while the annexations by Russia were "progressive," Shamil's opposition to them cannot be considered "reactionary." Here is a piece of dialectical double talk typical of the transitional stage in post-Stalinist historiography. Clearly, further rewriting will ensue.

#### The Limits of Change

As important as the changes themselves are the prescribed limits of change. Soviet historiography continues to operate within a narrowly circumscribed totalitarian universe whose official boundaries have been set and within which the margin of debate may concern only matters of relative emphasis or detail. While in practice they may be violated, the line is



officially insuperable, the foundations unshaken, and the premises unquestioned. While a given "line" may change, there is always some "line."

Despite the song-and-dance of political coexistence, there has been no lessening of "ideological militancy." Among the rehabilitated men, leading military figures like Tukhachevsky, Stern, Ubovich, and Putna have not been "reassessed." The publication of twentieth century documents remains narrowly limited to Bolshevik materials. On the Revolution of 1905 not even the leaflets of rival revolutionary parties may appear; as a spokesman of the Marx-Lenin Institute noted, "the publication of Menshevik documents is impermissible even if they reflect Bolshevik influence."

The true story of collectivization, of intraparty "deviations," of Katyn, of assassinations and kidnappings abroad, of the whole range of Soviet foreign policy provocations remains concealed, ignored, or denied. Indeed, the party has already chastized *Voprosy Istorii* for having published—under the pressure of "rotten" or at least "hasty" elements—during the months of relative flux, some articles which slurred over or ignored "the full significance of the party's struggle against Trotskyites, right opportunists, and deviationists, and others which 'glossed over the differences of principle between Mensheviks and Bolsheviks.'" Since July 1956 the authorities again have been seeking to impose a firmer and less "sensationalist" grip on history.

It is indicative that the Central Committee's organ, *Kommunist*, saw fit to name even *Voprosy Istorii* as one of the current culprits, for the journal has excelled in subservience to the regime. It has had, in effect, the status of legislator in historical matters. Its chief editor, Anna Pankratova, is one of the few female members of the Central Committee. A prolific author, she has a remarkable record of shifting with the changing Kremlin winds. A fervent follower of Pokrovsky until his demise, she later wrote the leading article denouncing him. In 1939 she went so far as to insist that Pokrovsky school was "the basis for the wrecking by the Trotskyite-Bukharinite hirelings of fascism, wreckers, and spies." She hailed Stalin on his seventieth birthday as the creator of Soviet historical "science" who had "extended the limits of Soviet history by 1,500 to 2,000 years. Now she professes to stand in the vanguard of the new revisionism, pontificating about a more "truthful," "scientific" anti-Stalinist approach.

The associate editor, E. N. Burdzhakov, who has written a variety of popular booklets and lectured at the party's Higher School, has endeared himself to the *apparatus*. Since mid-1953 he has apparently been the guiding spirit of the journal—or rather, the transmission belt of impulses from the Central Committee. His tone at recent conferences has been self-assured, if not dictatorial, and it was over his signature that in May 1956 there appeared an article going beyond Khrushchev's attack in identifying Stalin with an anti-Leninist position in the spring of 1917.

#### Flexibility and Ferment

Whatever the alterations, the regime's view that history is a weapon to be wielded by the political power has undergone no change. As before, historical anniversaries serve as the occasion for the fulfilment of state plans in *academe*. Historians have been called upon to celebrate the forthcoming fortieth anniversary of the 1917 Revolution with appropriate publications. As before, an individual can become an "un-person." In the latest chapters of "Operation Palimpsest" (to use Bertram Wolfe's term), the Great Soviet Encyclopedia suggested in 1954 that subscribers "carefully cut out" the pages referring to the purged police chief, Lavrenti Beria, substituting an item on the Bering Strait; again in 1956 the encyclopedia urged the excision ("using scissors or razor blade") of a page containing an article on Kao Kang, a Chinese Communist leader who, accused of conspiracy, allegedly committed suicide in 1954.

Political considerations dictate the diversion of emphasis—and funds—for the study of underdeveloped areas in the United States. Anti-Americanism in historical studies can be turned on and off at will. A more "truthful" study of Bolshevik history is requested in order to help "develop the contemporary tactics of foreign Communist and labor parties," to overcome "sectarianism" in them or promote "proletarian internationalism"—under Moscow's guidance.

The past is but a means to an end. As a party historian remarked, he objected to a re-evaluation of Shamil not on the basis of fact but because "it would not further the strengthening of friendship among the nationalities" of the USSR. Just as it recognizes no art for art's sake, so the Soviet state denies knowledge for the sake of knowledge or history for the sake of historical truth. This is reflected in the frank, continued concern for conformity on the "historical front" and in the official demand for new history texts which would serve "not only historical but also practical interests."

Thus one may scarcely expect the regime itself to pioneer for dispassionate history. It is the historians who must speak out for higher professional standards, and—while many of the best men have died or vanished—some of them have done precisely that: so much so that they have already been rebuked for excessive zeal, political naivete or opportunism.

A recent critique of Soviet dissertations found one historian trenchantly condemning them as superficial, offering stereotypes in place of evidence, and idealizing the official favorites. Of late, the demand for "facts instead of theories" has become a *leitmotif* of the craft. S. Yakubovskaia, one of the leading women historians, began in 1954 to urge young scholars to be more careful in their assertions, to read more original documents, and in general to use historical data more conscientiously.

How successful the new endeavors will be remains to be seen. Yet *Kommunist's* (No. 5, 1956) official endorsement of freer use of archival sources marks the victorious culmination of an effort begun in 1954 to make more materials—until then, largely in the custody of the MVD—available to scholarship.

Recent reports from the Soviet Union speak of widespread intellectual ferment and questioning of axioms. Students have been jolted out of their ideologically secure existence; the old Stalinist routine of cynicism and clichés no longer satisfies. University youths, including apprentice historians, are reportedly groping, politically at sea, and often inclined to sympathize with what Soviet editorials have chastized as "rotten elements, taking advantage of the anti-Stalin campaign to slander the party's policy and its Leninist foundations." The situation was climaxed by the decision to suspend examinations in party history for the spring of 1956. Never before has there been such reluctant "ambiguity tolerance" something the totalitarian organism inherently abhors and seeks to combat.

Yet there are distinct germs of hope in the present quest for more elbow room and more truth—demands which Soviet historians (like other professionals) voice with increasing vigor. One wing of the intelligentsia promptly took advantage of the new "thaw" to publicize sentiments suppressed for years. Their refrain was expressed by one who appealed to "distinguish between honest error and malicious fabrication, between mistaken views and outright untruths." Underneath the display of conformity and subservient mimicry, alongside mediocrities and charlatans, there remains a finer self.

Soviet history, like state and society, is in a crucial process of transition. It remains a function of political development. Yet the iron logic of "de-control"—even within the Soviet framework—imposes a ticklish dilemma on the leadership. The political lords have permitted the intellectual to whet his appetite. Henceforth, *l'appétit vient en mangeant*. Will they be willing to permit more questioning, further inquiry and research? And can they stop the present trend without attempting to revert to the rigidity of their predecessor?

In the long run, the present situation is untenable: it contains the seeds of its own destruction (to use the Bolshevik phrase), for it is beset by the inherent contradiction between political insistence on monolithic conformity and the emboldened demands of the professionals for academic and artistic freedom. It is palpably ludicrous to argue that, while Stalin erred, the party never did. Yet, what Khrushchev and Mikoyan have quarreled with are specific instances and forms of historical falsification—not the Bolshevik straitjacket of monistic determinism.

The new turn in Soviet historiography may well have unleashed dynamics unwelcome to its sires. Until they come to fruition, the Soviet historian must continue to navigate between cynical abandon to political dictation and courageous emancipation into scientific scholarship—scientific not in label but in method and spirit.





Digitized by the Internet Archive  
in 2023



# POPULATION PROBLEMS OF JAPAN

By Dr. Ayanori Okasaki

(Lecturer, Economics Dept., Kyoto University)

## An Analysis of the Population Increase

The results of the population census show that Japan's population, which totalled 72,000,000 in 1945, reached 89,300,000 in 1955. This increase of 17,300,000 during the ten-year period following the end of World War II represents a phenomenal increase of 24%. By comparison, the pre-war percentage of increase was much smaller, being 15.4% during the 1920-30 period and 13.7% during the 1930-40 period.

One of the causes of the sharp post-war population increase was the social increase due to the large number of repatriates. This type of increase was formerly unheard of. With the termination of hostilities, the armed forces stationed overseas as well as non-combatant overseas Japanese residents were forced to evacuate. A total of approximately 6,250,000 Japanese were repatriated from October 1945 to May 1950. According to a report on repatriation issued by the Repatriation Bureau of the Welfare Ministry in 1955, the number of repatriates according to the areas is given in the table below.

Table I

No. of Repatriates According to Areas

Area from which Repatriated	No. of Repatriates
Australia .....	138,680
China .....	1,501,265
Formosa .....	479,339
Hawaii .....	3,592
Hongkong .....	19,222
South Korea .....	595,479
Manchuria .....	1,045,525
Netherlands East Indies .....	15,590
New Zealand .....	797
Philippines .....	132,917
Southeast Asia .....	710,727
U.S.S.R. ....	1,311,446
North French Indochina .....	32,037
Others .....	262,670
Total .....	6,249,286

Of the total number of repatriates, military personnel accounted for about 3,000,000, while the remaining 3,250,000 were those who would have continued to reside overseas had there been no war. However, during the first five post-war years in question, approximately 1,200,000 foreign residents in Japan (mostly Koreans and Chinese) left the country. Deducting this figure, therefore, the actual social increase in population becomes about 5,000,000.

Excluding this 5,000,000 increase, the rate of population increase during the ten post-war years is 15.7%, a rate only slightly higher than that of pre-war. It is when this social increase of 5,000,000 is added that the rate of the post-war increase in population becomes so high.

Turning now to the birth rate and death rate in the post-war years. We find that there has been a radical change in comparison with that of pre-war years. Table II shows the changes in the post-war birth rate, death rate and natural increase rate in population over the pre-war years.

As may be seen in Table II the birth rate and death rate in the 1933-37 period remained fairly steady at around 30 (per thousand) and 17, respectively. In 1945 and 1946, however, the birth rate fell sharply, owing to the near-starvation life imposed upon the people during the closing stages of the war and the lack of a desire to reproduce during the hardships in the period immediately following the end of the war. Although life in 1947 was still at a very low standard, the sudden increase in marriages which had fallen off during the war years and the return of millions of men from the war to their homes and families resulted in a "baby boom," so to speak, and the birth rate climbed up again.

On the other hand, the death rate in 1945 and 1946 reached an all-time high. Large numbers of weak and sick

Table II

Year	Birth Rate	Death Rate	Rate of Natural Increase (per thousand)
1933	31.5	17.7	13.8
1934	29.9	18.1	11.8
1935	31.7	16.8	14.9
1936	30.0	17.5	12.5
1937	30.9	17.1	13.8
1933-37 (average)	30.8	17.4	13.4
*1945	24.2	27.0	-2.8
*1946	22.4	19.9	2.5
1947	34.3	14.6	19.7
1948	33.5	11.9	21.6
1949	33.0	11.6	21.4
1950	28.1	10.9	17.2
1951	25.5	9.9	15.6
1952	23.3	8.9	14.4
1953	21.5	8.8	12.7
1954	20.0	8.2	11.8
1955	19.3	7.8	11.5
1956	18.5	7.8	10.7

\* denotes Occupation GHQ estimates

Source: "Vital Statistics," Ministry of Welfare

persons died owing to lack of food and medical facilities. From 1947, however, with the improvement and expansion of medical facilities and the importation of the new "wonder" drugs, the death rate began to decline.

With the sharp increase in the birth rate and a decline in the death rate, it was inevitable that the natural increase rate in population should also increase, reaching 19.7 per thousand in 1947. In other words, there was a natural increase of 1,540,000 that year.

The pressure of an annual increase of a million and a half in population in a country small in area and poor in natural resources could only mean further hardships in the life of the people. The public became aware, therefore, that something had to be done to check this population increase. This led to an active campaign, the birth rate fell below 30 per thousand in 1950 and continued to decline to a low of less than 19 per thousand in 1956. This rate was only two-thirds of that in 1947. Such a large drop in the space of just a few years is worthy of special notice.

The death rate, also, continued to drop each year. In 1956, it was only 7.8 per thousand, less than half the pre-war death rate. Formerly, Japan was regarded as a nation with a high birth and death rates, but now it has become a nation with a low birth and death rates as is the case with most Western countries. But Japan's population continues to increase since the natural increase rate is still on the plus side. In July 1956, the Bureau of Statistics of the Prime Minister's Office announced that Japan's population had reached 90,000,000.

Table III

Year	No. of Births	No. of Legalized Abortions	Total
1947	2,678,792	—	2,678,792
1948	2,681,624	—	2,681,624
1949	2,696,638	246,104	2,942,742
1950	2,337,507	489,111	2,826,618
1951	2,157,414	638,350	2,795,764
1952	1,999,488	798,193	2,797,681
1953	1,862,348	1,068,066	2,930,414
1954	1,765,126	1,143,059	2,908,185
1955	1,715,111	1,170,143	2,885,254

Source: Vital Statistics, Ministry of Welfare. Statistics Concerning Eugenics Protection Law, Ministry of Welfare.



### Sharp Decline in Birth Rate and Eugenics Protection Law

As mentioned previously, Japan's birth rate has dropped noticeably during the last few years. It must be mentioned that this has been due in large measure to the widespread practice of abortion. The number of births since 1947 and the number of cases of legalized abortion under the Eugenics Protection Law are shown in Table III.

As may be seen in Table III, the number of births began to register a gradual drop from 1950, while legalized abortions began to increase. But the total of both the number of births and the number of legalized abortions, or, in other words, the total number of cases of pregnancy, continued to increase. Therefore, if there had not been such a widespread resort to abortion, the birth rate would still be well over 30 per thousand. For instance, the number of births in 1955 was about 1,710,000, while the number of cases of legalized abortion (not including a large number of cases of illegal, unreported abortions) was about 1,170,000. If there had not been such resort to abortion, the birth rate for that year would have been 32.3 per thousand. Actually, however, the birth rate was only 19 per thousand, obviously due to the large number of cases of abortion.

In order to clarify the causes for the widespread practice of abortion, it is necessary to explain the birth-control problem, which was actively taken up following the end of the war, and the administration of the Eugenics Protection Law.

The post-war fear of overpopulation caused the Japanese people to realize keenly the necessity of checking the increase in population. A number of organizations advocating birth-control came into being, and an active birth-control campaign was launched. At first the Government did not necessarily agree with the proponents of birth-control, taking the stand that the question of practicing birth-control was one that should be left to the discretion of the individual. But in July 1947, it revised the Drug Act which had until then prohibited the manufacture and sale of contraceptive drugs and devices, and in May 1949, it authorized their manufacture and sale. The manufacturers of contraceptive drugs, therefore, launched an intensive advertisement campaign in order to sell their respective products. At that time, the newspapers carried large advertisements of such drugs almost daily. Furthermore, numerous pamphlets explaining birth-control and the various methods employed were printed in rapid succession. Since these were freely sold and easily available, they had a very harmful effect on the sexual morality of the nation's youth.

The educational program of the various birth-control organizations proved quite effective in spreading the idea of birth-control. In October 1952, Mrs. Margaret Sanger arrived in Japan and gave talks in various parts of the country stressing the necessity of birth-control. This created a great interest in the subject, and the practice of birth-control increased sharply. Although the rate of its practice in the years prior to the war is unknown, since no such research data is available, the results of a public opinion survey conducted by the Population Problems Research Council of the newspaper "Mainichi" show that the rate was 19.5% in 1950, increasing to 26.3% in 1952 and to 33.6% in 1955.

The organizations advocating birth-control did not recommend abortion as a means of birth-control but encouraged the control of pregnancy through the use of contraceptive drugs and devices. But in most cases this means of control resulted in failure, leading to a large increase in the number of cases of unwanted pregnancy. In such cases, legalized abortion was resorted to—an obvious abuse of the Eugenics Protection Law. This law, which was enacted in June 1948, came in most handy in such cases in order to justify resort to legalized abortion.

Under this Law, the arresting of pregnancy by artificial means (induced abortion), as well as sterilization, is permitted. Specifically, Article 14 of the law permits designated physicians of surgeons to adopt such means, with the consent of the party concerned and her spouse, in the following five cases: (1) if the party concerned or her spouse possesses a mental disease or infirmity or is susceptible to such disease, or has a hereditary bodily illness or deformity; (2) if any blood relation to the fourth degree of the party concerned or her spouse has a hereditary mental disease or infirmity or has a hereditary susceptibility to such disease, or has a hereditary bodily illness or deformity; (3) if the party concerned or her spouse is afflicted with leprosy; (4) if it is feared that continued pregnancy or

giving birth to the child would seriously impair the health of the expectant mother for physical or economic reasons; (5) if the pregnancy is due to an illicit intercourse resulting from an attack or intimidation or from inability to resist or refuse the offender.

The artificial arresting of pregnancy (induced abortion) for eugenic reasons, such as mentioned in the first two cases above, is not especially surprising but, on the contrary, can be considered quite natural. Similar provisions are contained in the eugenics legislation of many foreign countries. Moreover, in cases of medical emergencies, such a step has long been permitted in Japan as it has been in other countries. But the existing Eugenics Protection Law permitting this artificial means in cases in which it is feared that continued pregnancy or giving birth to the child would seriously impair the health of the expectant mother, even for economic reasons, is indeed a most amazing piece of legislation, to say the least. It is doubtful that a law with such a provision exists anywhere else in the world.

Since the enactment of the Eugenics Protection Law, there came to be a growing tendency for pregnant women to resort to legalized abortion, giving as the reason the "protection of the mother's health." Table IV below shows the number of cases of induced abortion and the reasons for doing so under this law.

Table IV

No. of Cases of Legalized Abortion According to Reasons

Year	Malignant Hereditary Disease or Susceptibility	Protection of Mother	Others	Total
1949	2,738 (1.11%)	241,047 (97.95%)	2,319 (0.94%)	246,104 (100%)
1950	4,361 (0.89%)	481,868 (98.52%)	2,882 (0.59%)	489,111 (100%)
1951	3,165 (0.50%)	633,766 (99.28%)	1,419 (0.22%)	638,350 (100%)
1952	7,081 (0.88%)	787,232 (98.63%)	3,880 (0.49%)	798,193 (100%)
1953	4,684 (0.44%)	1,060,106 (99.26%)	3,276 (0.30%)	1,068,066 (100%)
1954	2,872 (0.25%)	1,137,890 (99.55%)	2,297 (0.20%)	1,143,059 (100%)
1955	1,492 (0.12%)	1,166,946 (99.73%)	1,705 (0.15%)	1,170,143 (100%)
1956 (Jan.-June)	866 (0.15%)	596,705 (99.67%)	1,087 (0.18%)	598,658 (100%)

Source: Statistics concerning Eugenics Protection Law.

(Note:—"Others" include cases in which (1) the party concerned or her spouse was afflicted with leprosy, (2) the pregnancy is due to an illicit intercourse resulting from attack or intimidation or from inability to resist or refuse the offender; (3) the mother is in a critical condition and emergency medical measures are required.)

As may be seen in the foregoing table, about 99% of the cases of legalized abortion was performed in order "to protect the mother".

It is true, of course, that as the result of World War II Japan's economic power was vastly weakened and that this caused a sharp deterioration in the standard of living of the Japanese people, forcing them to undergo numerous hardships. It is extremely doubtful, however, that the health of approximately one-third of the pregnant mothers was so seriously impaired, as a result of this fact, that they had to take steps to avoid giving birth to life already conceived. According to the "Welfare White Paper", a report issued by the Ministry of Welfare in 1956, the calorie intake of the Japanese people had recovered to the pre-war level owing to an improvement in the food situation and the nation's health had improved considerably. It is impossible to believe, therefore, that only the pregnant mothers are in a bad state of health.

The supporters of the Eugenics Protection Law contend that this law does not of itself promote birth-control by means of legalized abortion but provides that such means may be taken out of necessity in order to protect the health of the mother-to-be. On the surface, the purpose and spirit of this legislation may be as claimed by these supporters. It must be noted, however, that "the protection of the mother" was given as the reason in almost all of the cases of legalized abortion



performed under this law. This fact clearly shows the marked increase in the number of abortions in cases of unwanted pregnancy which were performed under this pretext.

The sudden increase in the number of cases of unwanted unborn babies should be regarded as being due to an increase in the rate of the practice of controlling pregnancy and the numerous failures to effectively do so resulting therefrom. Prior to the active spread of the birth-control movement, there were not as many cases of unwanted pregnancy. One of the most ardent advocates of birth-control (Mr. Koya) stated that "the effects on the mothers' health of the more than a million cases of abortion recently being performed in Japan are truly alarming, and steps are being taken to spread the knowledge of birth-control in order to check such harmful effects." ("In the Significance of Birth-Control" in The Mainichi Shimbun, November 3, 1952). As a matter of fact, however, exactly the reverse is the case. The propagation of birth-control came first, and the alarming increase in the number of abortions came as a result of the failure of birth-control measures.

The Ministry of Welfare became shocked at the large increase in the number of abortions and in June 1952 adopted a policy for the propagation of birth-control. This policy stated, in part, that "owing to the sharp increase in the number of cases of arresting pregnancy by artificial means and to the necessity to give due consideration to their effects on the life and health of the mothers, active efforts shall be made, from the standpoint of public health, to spread the knowledge of proper birth-control measures among all classes, thus to improve the welfare and standards of the people."

From the above, it would appear that the dissemination of the knowledge of birth-control is deemed necessary in order to put a stop to the prevalence of abortions, this being based on the premises that troubles arising from abortion operations are dangerous. Moreover, it would appear that such a policy is the result of a conviction that so-called proper birth-control measures can prevent unwanted pregnancies. However, in spite of the nation-wide birth-control movement conducted through the network of public health stations located throughout the country, statistics clearly indicate that the number of abortions, far from decreasing, continued to increase each successive year.

#### Post-War Labor Force

The population problem is not such a simple one that can be solved merely by regulating the number of people. Rather,

in Japan today a much more important problem is that concerning employment for the labor force. No matter how much the birth rate is brought down, this would not mean an immediate decrease in the number of the already existing labor force, unless, of course, there is a corresponding increase in the death rate. The question of whether or not opportunities for employment are provided for the existing labor force possesses deep significance not merely as a population problem but also as a labor problem and a problem of livelihood. Accordingly, a general picture of the employment situation of the labor force since the end of World War II is outlined below.

The rate of increase of the post-war population of the productive age-group (15-59 yrs.) is greater than that of the total population. Specifically, while the rate of increase of the total population during the ten-year period from 1945-55 was 24%, it was 32% in the case of the productive age-group population during the same period. (In 1945, the population of the 15-59 age-group totalled 39,670,000, but in 1955 it had increased to 52,190,000). There are two reasons for this high rate of increase in the productive age-group population. The first is that the greater part of the repatriates from abroad, who accounted for a large share of the post-war population increase, fell into the productive age-group. The second is that the number of those in the non-productive age-group (under 15 yrs.) moving up into the productive age-group outnumbered those of advanced age falling out of this age-group. It is estimated that during the next fifteen years or so this pursuing increase in the population of the productive age-group will reach approximately a million each year.

Not all of the productive age-group population can be regarded as being the labor force population. The latter is composed of that part of the former which possesses the will and capacity to engage in work. Accordingly, house-wives, students, disabled persons, etc., even though in the productive age-group, cannot be regarded as being a part of the labor force population. However, if conditions are similar in all other respects, an increase in the population of the productive age-group means an increase in the population of the labor force.

According to the Labor Force Survey issued by the Bureau of Statistics of the Prime Minister's Office, the population of the productive age-group and the labor force from 1948 to 1956 is as follows:

Table V  
Population of Productive Age-Group and Labor Force

Year	Total				Male				Female			
	Productive Age-Group	Labor Force	Non-Labor	Percentage Labor Force	Productive Age-Group	Labor Force	Non-Labor	Percentage Labor Force	Productive Age-Group	Labor Force	Non-Labor	Percentage Labor Force
1948	53,900	34,840	19,060	64.6	25,420	21,340	4,080	83.9	28,470	13,500	14,980	47.4
1949	54,850	36,440	18,410	66.4	26,140	21,840	4,300	83.6	28,710	14,610	14,110	50.9
1950	55,240	36,160	19,080	65.5	26,370	21,930	4,440	83.2	28,870	14,230	14,640	48.3
1951	56,260	36,600	19,660	65.1	26,610	22,130	4,480	83.2	29,650	14,480	15,180	48.8
1952	57,440	37,750	19,690	65.7	27,270	22,720	4,550	83.3	30,170	15,040	15,130	49.9
1953	58,310	39,700	18,620	68.1	27,770	23,480	4,300	84.6	30,540	16,220	14,320	53.1
1954	59,280	40,150	19,080	67.7	28,150	23,570	4,550	83.7	31,130	16,580	14,530	53.3
1955	60,920	41,800	19,010	68.6	28,980	24,270	4,660	83.7	31,930	17,530	14,350	54.9
1956 (Sept.)	62,920	43,140	19,710	68.6	30,410	25,300	5,080	83.2	32,510	17,840	14,630	54.9

(Note:—Persons over 14 years of age included in productive age-group).

As may be seen in Table V, the total labor force population in 1948 was 34,840,000, gradually increasing to 41,800,000 in 1955. This was a gain of 20%. In the case of the male labor force population, the figure was 21,340,000 in 1948 and grew to 24,270,000 in 1955, a gain of 13.7%. In the case of the female labor force, the corresponding figures were 13,500,000 and 17,530,000, respectively, registering an increase of 29.9%. The fact that the rate of increase of the female labor force was much greater than that of the male was due to the marked advance of women into the labor front since the end of World War II. It is not clear whether this advance came from a vigorous desire on the part of women

for economic independence or from the necessity of supplementing their straitened post-war household economy. Perhaps it is more correct to attribute the advance to a combination of these two factors.

Table VI below gives the figures of the total labor force population, which continues to increase each year, and the figures of the employed and unemployed.

According to Table VI, the percentage of employment is very high, being about 99% each year. This would make it appear that the labor situation in Japan is very favorable, since the percentage of employment continues to maintain a high level in spite of the yearly increase in the labor force



Table VI  
No. of Employed and Unemployed

Year	Total Labor Force	Employed	Unemployed	(Unit: 1,000)
				Employed Pct.
1948	34,840	34,590	250	99.3
1949	36,440	36,070	370	99.0
1950	36,160	35,720	440	99.0
1951	36,600	36,220	380	98.9
1952	37,750	37,290	460	98.8
1953	39,700	39,250	450	98.9
1954	40,150	39,580	570	98.6
1955	41,810	41,120	690	98.0
1956	43,140	42,580	560	98.7

(Sept.)

Source: Labor Force Survey Report, Bureau of Statistics.

population. However, it is very doubtful that the post-war Japanese economy has recovered to such a degree that it can bring about such a favorable labor situation.

In the Labor Force Survey Report, even those who had only an hour's work in a whole week are included in the employed population. Normally, we consider as an employed person one who has at least about 40-hours of work a week (having of course, absence from work due to illness or accident). Therefore, those having the chance for only an hour or two of work a week, although not completely unemployed, should be included in the unemployed category. But because the report includes in the number of employed even those who can generally be regarded as unemployed, the percentage of employment is unexpectedly high.

Included in the employed population shown in the report in question are a large number of those who should be considered in the category of semi-unemployed population or a latent unemployed population. Some estimate the number coming under this category at around 5,000,000, while others claim that 10,000,000 is a closer figure. If such be the case, then the labor situation in Japan, statistically speaking, presents a very rosy picture on the surface, but the facts are entirely the opposite.

Let us study next the employed population according to industries. The figures are shown in the following table.

Table VII  
Employed Population According to Industries

Year	Total all Industries	Agriculture and Forestry	Fishing	Mining	Building and Construction	Manufacturing	Commerce and Trade	Transport and Communications	Others
1948	34,600	16,370	580	600	1,320	6,320	3,280	1,630	4,500
1949	36,060	18,080	670	500	1,120	6,410	3,280	1,640	4,360
1950	35,720	17,410	690	490	1,200	6,460	4,250	1,710	3,510
1951	36,220	16,170	520	510	1,360	6,300	5,150	1,840	4,370
1952	37,290	16,370	520	610	1,460	6,530	5,400	1,900	4,500
1953	39,250	17,130	660	620	1,590	6,740	5,770	1,920	4,820
1954	39,580	16,670	550	590	1,650	6,950	6,310	1,850	5,010
1955	41,120	17,150	530	510	1,750	7,110	6,700	1,920	5,450

Source: Labor Force Survey Report, Bureau of Statistics.

It is estimated that the latent unemployed population in agriculture and commerce together has already reached a total of about 5,000,000. A study of the employed population in the manufacturing, mining and transport and communications industries will no doubt show that there exists a considerable latent unemployed population in these industries also.

It is generally believed that Japan's labor productivity is very low. For instance, in 1952 the time required to produce one ton of pig iron in Japan was 7.1 hours, while it was only one hour in the United States. ("Economic White Paper", issued by the Economic Planning Agency, 1954). Then, again, in the case of coal production, the amount of local mined per day by a single mine-worker was only half a ton in Japan in 1953, while it was seven tons in the United States. ("Annual

Report on Coal Statistics", issued by the Ministry of Industry and Trade, 1953).

According to Table VII, the employed population in the agriculture and forestry industry accounted each year for roughly half of the total industrial population. The pre-war agricultural population was 14,280,000 in 1920, 14,130,000 in 1930 and 13,840,000 in 1940. But the large post-war increase in this population, in spite of the fact that the area under cultivation has not increased at all over that of pre-war, is no doubt due to the stop in the flow of the surplus agricultural labor population to the urban centers and factory districts and at the same time to the counter-flow of the unemployed population in the urban centers back to the rural areas. It must be remembered that even from pre-war years the farms constituted a pool, so to speak, for the unemployed population during a period of depression.

So long as there is no expansion in the area of land under cultivation, an agricultural population of around 14,000,000 is considered to be adequate, and any excess over this figure would mean that much more of an increase in the number of latent unemployed persons in the labor force population. In this sense, it can be said that there is a latent unemployed population of at least 3,000,000 in the agricultural population.

The yearly increase in the population engaged in commerce and trade is also worthy of note. In 1948 it was 3,280,000, but in 1955 the figure had more than doubled, reaching 6,700,000. In 1930, during the great world-wide depression, the population employed in this field was 4,300,000, and in 1940 it totalled 4,380,000. Thus, the 1955 figure exceeds the pre-war figure by more than 2,000,000. Of course, there is no harm in an increase in the commercial population together with an increase in the overall population. However, the rate of increase of the former is far greater than that of the latter, and herein lies a problem. Heretofore, there was a tendency in Japan for the unemployed population during periods of economic depression to infiltrate into the agricultural and commercial fields. The sudden increase in the commercial population after the war is also due to the fact that the unemployed population has become latent. Furthermore, it is a well-known fact that there has cropped up a large number of black-market dealers and itinerant peddlers who cannot be considered as persons engaged in business in the true sense of the term. Therefore, it is safe to assume that there exists a latent unemployed population of at least 2,000,000 in the field of commerce and trade.

Report on Coal Statistics", issued by the Ministry of Industry and Trade, 1953).

This low labor productivity in Japan is no doubt due in some measure to the inferior capacity of the workers themselves, but even more it is due to the inferior production facilities and production know-how. Thus, there is a greater degree of dependence on human labor, necessitating the employment of a large number of workers. There is no question that should there be an improvement in production facilities and know-how, the number of workers required would decrease, while, at the same time, labor productivity would rise. It is clear, therefore, that the poor production facilities and techniques are responsible for the low labor productivity in the mining and manufacturing industries.



It is no easy matter to make an accurate estimate of the number of the latent unemployed population in the mining and manufacturing industries. Moreover, it does not necessarily follow that a latent unemployed population actually does exist in this field even though the number of persons employed is excessive in relation to the scale of production. However, unless a large-scale expansion in the scale of production accompanies improvements in production facilities and know-how, there is bound to be a considerable number of workers who will be deprived of opportunities for employment in the mining and manufacturing industries.

In short, although the labor situation in Japan, on the surface, appears to be extremely favorable if one is to judge according to the results of the Labor Force Survey Report, actually there does exist a fairly large latent unemployed population in the agricultural and commercial fields, and the mining and manufacturing industries are carrying a large number of workers in spite of poor production facilities and know-how.

#### Future Labor Force Population

The existing situation in the employment of the labor force has been outlined in the foregoing, but there remains still yet another important problem. This is to estimate how large an increase there will be in the labor force in the future and how large a labor force can be absorbed by Japan's industrial economy. Leaving aside the question of the distant future, let us for the present attempt to estimate the population of the productive age-group and that of the labor force in the ten-year period from 1955 to 1965.

Although the Labor Force Survey classifies all persons over 14 years of age in the productive age-group, the 15-64 age-group has been adopted in this study. The labor force population means the population remaining after deducting the non-labor population (housewives, students, disabled persons, etc.) from the productive age-group population. The percentage of the non-labor population to the productive age-group population should differ, of course, according to sex and age, but for the sake of simplification, the percentage of the total non-labor population to the total productive age-group population, or 25%, has been adopted here. It should be mentioned that although it is necessary to estimate the future death-rate in order to arrive at an estimate of the productive age-group population during the next ten years, it is not necessary to estimate the birth-rate. The reason for this is that the children born in the next ten years will not yet reach the productive age-group during this period. Therefore, for the purposes of this study, the writer has assumed that the death-rate will drop from 9.1 per thousand in 1955 to 8.5 per thousand in 1965, taking into consideration the downward trend in the death-rate in recent years. The results, computed on the above basis, are shown in Table VIII below.

Table VIII  
Future Population of Productive Age-Group  
and Labor Force  
(1955-65)

Year	Productive Age-Group (15-64 yrs.)	Labor Force	(Unit: 1,000) Increase in Labor Force of Previous Year
1955	54,860	41,145	—
1956	56,117	42,088	943
1957	57,341	43,006	918
1958	58,527	43,895	889
1959	59,749	44,812	917
1960	60,587	45,440	623
1961	61,309	45,982	542
1962	62,816	47,112	1,130
1963	64,413	48,310	1,198
1964	66,043	49,532	1,223
1965	67,390	50,543	1,011

As may be seen in the foregoing table, the productive age-group population totals 54,860,000 in 1955 but it is estimated that it will increase yearly until it reaches 67,390,000 in 1965.

This increase is anticipated because, judging from the age composition of the population in 1955, the population moving up from the age-group under 15 years of age into the productive age-group far exceeds the old-age population dropping out of the productive age-group.

It is inevitable that there will be a corresponding increase in the population of the labor force, which, it is estimated, will increase from 41,140,000 in 1955 to more than 50,000,000 in 1965. However, a considerable difference in the size of increase can be seen in some years. From 1962 and thereafter an increase of more than a million is expected, but in 1960 and 1961 it is limited to about 600,000 or less. The reason for this comparatively small increase in the labor force in 1960 and 1961 is the sharp decline in the birth rate in the period immediately following the termination of World War II. In sharp contrast to this, the marked increase from 1962 and after is due to the so-called "baby boom" which occurred since 1947.

Although this increase in the population of the labor force during the ten year period up to 1965 may not be as great in some years as in others, the increase is estimated at about 9,000,000, or an average of some 900,000 each year. Thus, barring a sudden increase in the death-rate due to unforeseen circumstances, it can definitely be stated that this increase will occur as anticipated. The advocates of birth-control may believe that the problem of overpopulation can be solved by a radical lowering of the birth-rate. But even assuming that the birth-rate is brought down to zero throughout the next ten years, the labor force population will still increase as estimated so long as the recent downward trend in the death-rate continues. There is no doubt, of course, that in the distant future the checking of the birth-rate will prove effective in arresting an increase in the labor force, but at least in the immediate future, that is to say, in the next ten years, the lowering of the birth-rate through birth-control will not be of any use in checking this increase.

Whether we like it or not, the population of the labor force is bound to increase gradually each year during the coming ten years as expected. And unless opportunities for employment for this increasing labor force are not widened through the adoption of proper and adequate measures, a worsening of the labor situation is inevitable. There is danger that this would not only bring about a crisis in the labor situation but would also promote social unrest. The problem of how to provide opportunities for employment to a labor force increasing at the rate of about 90,000 annually in a situation where there already exist a fully unemployed population of several hundred thousand and a latent unemployed population numbering several million is indeed a most serious one.

The first thought that comes to mind as one means of solving this problem is the adoption of an emigration policy. But emigration to foreign countries cannot be carried out, of course, by unilateral action on the part of Japan, since the agreement of the receiving country is necessary. Therefore, emigration entails complicated political and diplomatic problems. But let us assume, for the moment, that all political and diplomatic barriers have been removed and that emigration abroad is freely permitted. The only remaining problem is that of obtaining the funds necessary for this purpose. Does Japan have the economic capacity to send several hundred thousand emigrants abroad each year? In addition to money for passage, huge sums will be required for building harbor facilities, roads, homes, sanitation facilities, etc., and for land development in the countries where these emigrants settle. The Ministry for Foreign Affairs recently established an Immigration Bureau in the Ministry in a move to promote the emigration of Japanese abroad. The plan is to send about 10,000 Japanese emigrants abroad each year with an annual budget of several hundred million yen. It is inconceivable, therefore, that Japan has the economic capacity to defray the huge expenditure required to send out several hundred thousand each year.

The writer, however, does not for a moment oppose emigration, nor does he consider this to be of no use. Emigrants should be sent to any country which welcomes them, regardless of the number allowed, and an even more active emigration policy should be adopted. But the writer wishes to emphasize the fact that dependence on emigration alone cannot solve the problem of the labor force population.



In short, there is no way to solve the problem of the labor force population other than to provide wider opportunities for employment by expanding the scale of the nation's economy. The Japanese Government, taking a serious view of this problem, has embarked upon the implementation of the "Five-Year Plan for Economic Self-Support" from last year. As stated in the opening paragraph of this plan to the effect that "economic self-support and expansion of employment are the greatest problems facing Japan's economy to-day and are, at the same time, the objectives of this plan", it seeks to bring about an expansion in the scale of the economy and an increase in employment in the coming five years.

If this plan proceeds according to schedule, it is bound to bring about a favorable turn not only in the development of the economy but also in the employment situation of the labor force population. It will require, however, a huge amount of industrial capital, and there will no doubt be numerous difficulties to be overcome. As is well-known, Japan was standing on a very weak foundation immediately following the end of the last war. She had lost 25.4% of her national wealth as the result of war damages, according to a survey made by the government's Economic Stabilization Board. The rate of damage to industrial machinery and equipment was 34.2%, and in the case of shipping the rate of damage was unbelievably high, being actually 80.6%. The gradual post-war recovery made by the Japanese economy from such a weakened condition was due, of course, in no small measure to the efforts made by the Japanese people themselves, but we cannot overlook the fact that it was dependent to a large degree to United States economic aid and to the windfall from large military procurement orders resulting from the sudden and unexpected outbreak of the Korean War in 1950.

However, since Japan hereafter cannot expect too much United States economic aid or revenue from special military procurement orders, she must sustain her balance of international payments through normal trade. And if the necessary industrial capital cannot be raised, it will become difficult to expand and strengthen the scale of economy and to increase the volume of employment. Quite a number of economic

experts commenting on this five-year plan have misgivings especially with regard to the question of raising industrial capital.

Be that as it may, it is no time to surrender to hopeless pessimism. We must, by our own efforts, direct our destiny in a more hopeful and desirable direction. True, numerous difficulties must be overcome before the hoped-for results of the five-year plan are achieved. But only by doing so can Japan draw near a solution of her economic and labor problems.

#### Future Population and its Age Composition

The future population is forecast on the basis of certain fixed assumptions adopted as a working hypothesis. The Institute of Population Problems of the Ministry of Welfare, in estimating the future population of Japan up to the year 2015, adopted the following as a working hypothesis, based on the official population under the 1950 Population Census:

(1) Social increase.—There will be no social increase. In other words, it has been assumed that the balance of the population entering the country and that moving out will be zero.

(2) Birth-rate.—The general birth-rate (per thousand of population) dropped from 28.3 in 1950 to 21.5 in 1953. It has been assumed, therefore, that this downward trend will continue in the future for a fixed length of time. But in making an estimate, it has been assumed that the birth-rate according to the age of the mothers in 1950 will, by 1965, have come close to that of Sweden in 1937 and that the rate of decrease will have been one of harmonic progression. And since the birth-rate will not decrease endlessly, it has been assumed that the birth-rate according to the age of the mother will have become constant from 1965 onward.

(3) Death-rate.—The general death-rate per thousand of population decreased from 10.9 in 1950 to 8.8 in 1953. It has been assumed, therefore, that this falling trend will continue for a fixed length of time in the future. But in making an estimate, it has been assumed that the death-rate according to age and sex in 1950 will, by 1960, have become almost similar to that now shown in New Zealand and that the rate of



decrease will have been one of arithmetic progression. And since the death-rate also will not decrease endlessly, it has been assumed that the death-rate according to age will have become constant in 1965 and after.

The future birth-rate, death-rate and natural increase rate, estimated on the basis of the foregoing assumptions, are given in Table IX below.

Table IX

Future Birth-Rate, Death-rate, Natural Increase Rate			
	Birth-Rate	Death-Rate	Natural Increase Rate
Year	(per 1,000)	(per 1,000)	(per 1,000)
1950	28.33	10.92	17.41
1955	20.38	9.06	11.32
1960	17.08	8.43	8.65
1965	15.53	8.46	7.07
1970	15.31	8.82	6.49
1975	15.17	9.57	5.60
1980	14.27	10.35	3.92
1985	13.00	11.12	1.88
1990	11.95	11.92	0.03
1995	11.45	12.86	-1.41
2000	11.35	14.01	-2.66
2005	11.32	15.36	-4.04
2010	11.14	16.65	-5.51
2015	10.88	17.87	-6.99

As shown in the above table, there is a gradual decline in the birth-rate which, it is predicted, will be 10.88 in the year 2015. The birth-rate according to the age of the mother continues to decline although it has been assumed that from 1965 onward it would remain constant. This is because the percentage to the total population of mothers in the age-group having the most fertility will gradually decrease. As for the death-rate, it shows a low of 8.43 in 1960 and gradually goes up, reaching 17.87 in the year 2015. Although it has been assumed that the death-rate according to age and sex would remain constant from 1960 on, it shows a steady rise because the percentage to the total population of the old-age population which has a high death risk will gradually increase.

The total future population estimated on the basis of previously mentioned assumptions is shown below.

Table X  
Total Future Population (Unit: 1,000)

Year	Total	Male	Female
1950	83,200	40,791	42,409
1955	89,125	43,824	45,301
1960	93,795	46,323	47,472
1965	97,345	48,163	49,182
1970	100,662	49,874	50,788
1975	103,867	51,520	52,347
1980	106,454	52,856	53,598
1985	108,014	53,685	54,329
1990	108,476	53,974	54,502
1995	108,047	53,836	54,211
2000	106,960	53,365	53,595
2005	105,212	52,542	52,670
2010	102,730	51,317	51,413
2015	99,568	49,732	49,836

According to Table X above, the population increases yearly, reaching an estimated 108,476,000 in 1990. This is the maximum population anticipated in the future. From that year the population will begin to show a downward trend due to the fact that the death-rate will exceed the birth-rate. But even in 2015, the population is expected to be in the neighborhood of about 100,000,000, a figure greater than the present population.

Although the advocates of birth-control hope not only to stop the increase in population but to go even further and reduce the actual number of the population, there will be a continued increase at the rate of the decrease in birth-rate taken in this study. If the population increase is to be checked, then the birth-rate, which was 28.3 per thousand in 1950, must be brought down by 1955 to match the death-rate for that year which, it is assumed, will be 9.0 per thousand. But no matter how ardent the advocates of birth-control may be, it is extremely doubtful that they are confident of lowering the birth-rate by a third in the short space of five years. As a matter of fact, they actually were not able to bring about such a drastic drop in the 1955 birth-rate in spite of the great efforts made. This means that the birth-rate far exceeded the death-rate, and for this reason the population, which was 83,200,000 in 1950, actually increased to 89,300,000 in 1955, surpassing the estimate for that year of 89,130,000. Likewise, if it is hoped to hold the population in 1960 at the same level as that in 1955, the birth-rate of 20.4 per thousand must be brought down to 8.4 per thousand in this five-year span. But it is believed well-nigh impossible to cut the estimated birth-rate for 1960 of 17.1 per thousand by one-half. Therefore, so long as the population continues along the line indicated by the assumed birth-rate and death-rate, it is anticipated that the population will increase in the future.

Japanese Economic Reports

JAPANESE EMIGRATION TO BRAZIL

Fifty years ago a group of 781 Japanese, pioneer settlers in Brazil, landed at Santos to start a new life. The celebration of the 50th anniversary of Japanese emigration to Brazil started June 18 and will last until Sept. 3. The Brazilian Government issued commemorative stamps in connection with the golden jubilee. It has been giving cooperation and assistance to the Japanese residents with the help of the authorities and people of various states concerned, to make the celebration a success.

The Japanese population in Brazil totals about 400,000 (about 80,000 families) including those who were born in that country. Of this total about 70,000 families are engaged in agriculture. The State of Sao Paulo has the largest Japanese population, about 70 per cent of the Japanese in Brazil. In Sao Paulo the agricultural crops produced by the Japanese account for 30 per cent of the total farm produce. It is especially notable that the amount of potatoes, tomatoes, fruits, and eggs produced by the Japanese residents in Sao Paulo each accounts for 90 per cent or more of the total production of the state. The total population of the state is estimated at 10 million.

Japanese emigrants have been going to Brazil as family units since the first settlement. Japanese emigration to Hawaii, the United States, Canada, Peru, Mexico and other countries started earlier than that to Brazil. Emigration to Hawaii began way back in 1885 and was carried on in a well-planned and systematic manner. However, most of the emigrants to these countries went as laborers without any intention of settling down permanently. Therefore, most of them went alone. Only a few later took their wives and children. Nonetheless, as Japanese emigrants went to Hawaii, the U.S. and other countries in great numbers, a considerable number of them came to settle down in these countries. Under the circumstances, the number of Japanese born in the countries concerned increased steadily, and even after the 1920's, when immigration of Japanese nationals was prohibited entirely or restricted, the number of persons of Japanese ancestry continued to increase year after year.

However, it goes without saying that Japanese born abroad are Japanese in blood only. The number of Japanese living in the countries mentioned above:

U.S.A. ....	141,768	(as of 1950)
Hawaii. ....	184,611	( " )
Canada ....	21,663	( " )
Peru ....	40,000	(as of 1954 estimates)
Mexico ....	5,600	( " )
Argentina ....	10,550	( " )

Japanese emigrants went to Brazil as family units because Sao Paulo whose chief product is coffee needed manpower on the family basis. Moreover, the wages earned by the settlers were not as high as those earned by individual emigrants to other countries who were able to support their family members in Japan by remitting part of their earnings. The actual situation in Brazil was that the livelihood of a family could be secured only when all family members worked together. The long distance between Brazil and Japan also made it difficult for the immigrants to return to Japan. In Brazil it was possible to secure as much land as one desired at any time, and it was not difficult to grow coffee, rice, corn, vegetables and other crops in any part of this fertile country.

Japanese emigrants usually worked as small tenant farmers or sharecroppers to earn enough money to start as independent farmers. However, before that, they generally had to work on coffee plantations for a certain period under contracts. In addition to those who had once worked on coffee plantations, there were some Japanese emigrants who went to Brazil with their own funds to buy land and started as land-owning farmers.

The number of emigrants to Brazil gradually grew and by 1933 the annual total was about 2,400 persons. In those days, the Japanese Government paid the passage fare to encourage emigration to Brazil. Emigration was halted during and after World War II, and it was not until 1952, or after a lapse of 10 years, that Japanese began emigrating to foreign countries again. And it was to Brazil that the Japanese emigrants first went in the postwar period, as might be expected from Japan's

past connections with that country. Subsequently, others went to Paraguay, the Dominican Republic, Bolivia, and Argentina.

While it is no longer possible for the Japanese Government to pay the passage fares, the Government is now extending loans to emigrants—loans that have to be repaid in full within 12 years. The number of postwar emigrants granted Government loans is as follows:

Brazil .....	17,259
Paraguay .....	3,454
Dominican Republic .....	864
Argentina .....	199
Other countries .....	164
Total .....	22,414

In addition, those who left Japan to join their relatives in the postwar period are as follows:

Brazil .....	6,825
Argentina .....	883
Other countries .....	110
Total .....	7,818

The Government attaches special importance to increasing the number of those who emigrate to foreign countries with Government loans. About 10,000 emigrants are expected to obtain Government loans in the new fiscal year ending March 31, 1959. The Japanese Government's work to encourage emigration has these main features:

1. To select persons of excellent mental and physical health as emigrants so that they may meet the expectations of the recipient countries and contribute to the economic development of these countries; and 2. To pay special attention so that emigrants may be successful in their efforts to adapt themselves to the customs of their new countries, and to extend assistance to them as much as possible so that they may be able to achieve economic independence.

Many Japanese have made substantial contributions to the economic development of their new countries. In Brazil the Japanese are proving successful in their efforts to increase the country's productive capacity. They are developing new varieties of crops, improving existing varieties of plants and vegetables, devising new methods of fighting vermin, and are sharing their know-how with Brazilian farmers. Further, large-scale cultivation of vegetables and fruits by Japanese farmers in suburban areas has resulted in enriching the daily diet of the Brazilians, while the success of Japanese emigrants in growing pepper-grass and jutes and the extensive cultivation of these crops in the Amazon areas are contributing much to the raising of the living standard of the inhabitants of the region.

NEW VOCATIONAL TRAINING SYSTEM

A new Vocational Training Law was enforced on July 1 for the purpose of elevating the current technical level of production technique and of making available an abundant supply of skilled workers. Japan is overcrowded and lacks natural resources, but it does possess a great amount of manpower. The new law is thus an attempt to exact the maximum use from the available manpower. Those concerned with the need to meet the increasing industrial demands for technical innovation look upon the new law as an epochal milestone in the efforts to set up an overall and systematic technical training program. Major new systems provided for in the law are as follows:

(1) Public Vocational Training System: Under this system, 258 public vocational training centers in major cities throughout the country will be reorganized into general vocational training offices to provide job-seekers with basic skills. In the field of unemployment insurance, 37 general vocational training centers including four new ones set up in fiscal 1958 will also be reorganized into general vocational training offices with the main functions of providing job-seekers with special training, training vocational instructors and extending assistance to workshop vocational training, projects. A Central Vocational Training Office will be created in Tokyo this year



to conduct investigations and researches on vocational training and to train vocational instructors. Eight Government-operated public vocational training centers for the physically handicapped will also be revamped into vocational training offices for the physically handicapped to give training to those who are too physically handicapped to undergo vocational training together with healthy trainees.

The new law empowers prefectural governments to entrust labor welfare enterprise associations or operators engaged in specific vocational training with task of training job-applicants. This can be done in case the ordinary vocational training offices cannot be established in time to meet the requirement due to such reasons as temporary outbreak of mass unemployment and an abrupt increase in demand for skilled workers or in case it is deemed undesirable to set up such training offices. Under the law, vocational training sponsored by nonprofit-making public utility corporations or labor unions in the capacity of juridical persons with the approval of Labor Minister will be regarded as public vocational training.

(2) Private Vocational Training System: Prefectural governors will check workshop training groups to determine whether they meet the Labor Ministry standards concerning curricula, training durations and facilities. The private training groups which are granted licenses will be allowed to use facilities of public training offices, obtain the assistance of public vocational instructors or receive textbooks, teaching materials and other data from such public institutions. The purpose of this system is to effectively and reasonably help enterprises provide their employees with vocational training at workshops. This system will apply also to those small and medium size enterprises or other business operators desiring to give guidance to their personnel. In this case, however, they are required to secure the approval of the prefectural governors concerned if they want to receive the conveniences as referred in the aforementioned paragraph. This measure is aimed at benefitting those minor units which generally find it difficult to have facilities and instructors needed for vocational training. This law further provides for assistance and conveniences for additional training, retraining and foreman training to be extended parallel with the above-said skilled worker training.

(3) Vocational Instructor License System: With a view to standardizing the qualifications for vocational instructors, improving their quality and smoothly operating vocational training programs, the instructors are required to take the prescribed examination and obtain licenses from Labor Minister. The examinations will be given on practical and special knowledge. Those having certain qualifications are exempt from the test.

(4) Skill Examination System: Examinations will be given on both practical skill and theoretical knowledge according to types of job as prescribed by the Government ordinance. Successful examinees will be granted first-class and second-class titles of skilled workers. The first-class and second-class titles do not mean occupational or employment qualifications but merely certify that the holders of the titles have skill of the foreman and skilled worker levels, respectively. This examination system is slated to go into effect beginning with those expected to complete the training course next year.

#### BIG TOURIST YEAR

By all indications, the year 1958 promises to become the best tourist year for Japan since the war. A record number of 60,000 foreign tourists have already visited this country during the past 6 months. Tourist officials note that this was a remarkable 50 per cent increase over the same period of last year, and predict that more than 150,000 tourists may visit Japan before the year ends. There are various reasons for this unprecedented boom. Contributing factors include the shortened air-flight time to Japan and improved services on international airliners. And there have also been several international meetings held in Japan this year, with more scheduled for the rest of 1958.

San Francisco-Tokyo flights have been cut to 22 hours, or 5 hours shorter than before. Polar flights linking Europe and Japan have also slashed flying time between Copenhagen and Tokyo to only 27 hours, or 16 hours faster than previous flights. Large tourist groups, both by air and ship, have visited Japan during the cherry blossom season. Already 5 luxury liners have visited this country. They included the Cunard's Caronia, and another British ship, the Chusan.

Of course, not all foreign visitors are strictly tourists. Many come on combined pleasure-and-business trips. These include the foreign delegates to various international conferences, who turn to be tourists after their business is over. The biggest single event that brought the largest number of foreigners to Japan so far this year was the International Trade Fair held in Osaka. There was also the international music and art festival held there simultaneously with the trade fair. In Tokyo, the International Olympic Committee held its 1958 congress in May, followed by the Third Asian Games. There was also the annual meeting of the International Federation of Newspaper Publishers. Fifteen international conferences and gatherings are scheduled for the rest of the year, including the Pan Pacific and Southeast Asia Women's Conference and a world Christian gathering.

#### JAPAN MACHINERY CENTER IN BOMBAY

A machinery center was opened recently in Bombay by the Japan External Trade Recovery Organization (JETRO) with the aid of the Japanese Government. The official name of the new center is "Japan Machinery Center, Bombay." The Center will carry out the following activities among others: (1) To introduce and display machinery; (2) Technical guidance and consultation service; (3) After-sale service; (4) Arranging business transactions; (5) Market research; and (6) Publicity.

## REPORTS FROM CHINA

### CULTURAL REVOLUTION

Explaining the aim of the cultural revolution which is being carried out in China, the People's Daily in Peking sermonized: "To carry out a technological revolution and a cultural revolution step by step while completing the socialist revolution on the economic, political and ideological fronts was one of the basic points of China's general line for socialist construction. A cultural revolution was necessary to meet the needs of the technological revolution." The paper called on all the workers, peasants and intellectuals in the country to win victories in the technological and cultural revolutions so that after 10 to 20 years China would become one of the world's highly cultured nations. Important innovations have been made in productive technology in the past few years. But many peasants and handicraftsmen are still working with simple tools. They want mechanisation, electrification and industrialisation. In order to realise this hope, it is important to raise the cultural level of the people all over the country rapidly and the cultural revolution will enable the labouring people to master culture. The paper further pronounced that science, technology and all human civilisation would develop several times more quickly than in the past when the labouring people mastered culture and knowledge and when theory was closely linked up with practice in production. "To smash the idols set up by the exploiting class to intimidate the masses of people is an important prerequisite for mobilising the masses to carry out a cultural revolution."

60 million people are now taking part in the nation-wide campaign against illiteracy. Illiteracy has in the main been wiped out in 156 counties in various parts of the country. A movement has been started by the masses to set up schools with their own investments with emphasis on the building of primary schools. So far, the seven provinces of Kiangsu, Chekiang, Honan, Hunan, Fukien, Kiangsi and Heilungkiang have basically attained compulsory primary school education. Counted by counties and cities, the total number of counties and cities that have instituted compulsory primary school education has reached 1,070, according to incomplete statistics from 23 provinces and autonomous regions. Now 90-98% of school age children in these counties and cities are studying in schools. More than 130 higher educational institutes have also been set up by 16 provinces and municipalities. This cultural revolution and the technical revolution supplement each other. The purpose of all this is said to develop the productive forces of society at the greatest speed. "We shall certainly be able to reach our lofty goal of cultural revolution provided that we exert our utmost efforts to battle for ever more advantageous positions."

### EDUCATIONAL REFORMS

More than 8,000 teachers and students of the China People's University are combining teaching and learning with productive labour in their own factories, farm and shops. The reformed system of education they have adopted is regarded as the rudiments in the People's University of a system of Communist education. Educational reforms have been carried out in all Chinese universities and colleges in the past few months in accordance with the policy put forward by the Chinese Communist Party of applying education to serve socialism and combining education with productive labour. China's People's University is a university of the social sciences, teaching mainly Marxist-Leninist political and economic theory. Responding to the call issued by the Communist Party committee in the university in July, the teachers and students of the university have set up 180 factories, a farm and two department stores within and outside the school grounds. All of these have been built by the teachers and students themselves, with help from various enterprises in the capital. Every department has its own workshops in line with its special requirements. A machine-building plant which is now under construction will turn out more than 1,000 machine tools annually. In addition, the university is putting up an iron and steel plant, a coke oven plant, a heat-resistant materials plant and other factories to form an industrial system in the university. Teachers and students of the department of industrial economics and students of other departments will work in these factories. The department of agro-economics has established a chemical fertiliser

plant, an agricultural implements plant and a farm, while the department of journalism has set up a Chinese and foreign languages printing house, and a radio set repair plant. The students and faculty members of the trade department have taken over the running of two shops, serving as managers and shop assistants themselves.

### CONTROL OF PRIVATE HOUSES

Peking announced that the Government is gradually taking over privately owned rented houses. The "socialist transformation" of the control of rented houses is scheduled to be completed in all urban areas by the end of this year. The state will first take over the renting out of houses or having this done by joint state-private operation, with a fixed proportion of the rent being paid to the owners for a certain period of time. At the same time, private house owners who relied on rent as the only or main source of income will be gradually transformed into people living by their labour. The rent is properly divided up between repair work, management expenses, taxation, insurance and the proportion paid to the house owner, which ranges from 20-40% and averages 30% of the house rent. The present measures do not apply to a small house owner who does not depend on house rent as the chief source of income especially when the room he lets out is part of the house which he himself lives in. Nor do they apply for the time being to houses owned by the old, the infirm, sick, disabled or others who have no other possibility of earning a living. Up to the present, this change in control has been completed in Peking and more than 10 other cities and in the three provinces of Northeast China. It is now being carried out in other cities, including Shanghai.

### NEW RECORD YIELD

Since the announcement of a record per-hectare yield of early rice of 83.28 tons early last month (our issue of August 14, page 207), Peking made several more claims of new records. The one made on August 12 was 277.17 tons, which was said to be achieved in Macheng County, Hupeh, by the Chienkuo No. 1 Agricultural Cooperative on 1.01 mou of experimental land. The experimental land was cultivated collectively by the Chairman, Vice-Chairman and Communist Party Secretary of the Cooperative and the head of a production team—all four being members of the Chinese Communist Party. A number of peasants in the cooperative also took part in cultivating the land. The amazingly high yield was attributed to the application of pioneering farming methods including deep ploughing, close-planting and the use of abundant manure. The land was tilled 10 times before sowing and ploughed to a depth of one-third of a metre. The rice plants stood close to one another and yielded a total of 7.68 million ears per mou. Fertilisers were applied five times. A total of 1.5 tons of green manure, 70 tons of fertile soil, 52.5 kilogrammes of ammonium sulphate, 40 kilogrammes of super calcium phosphate, 90 kilogrammes of bean cake and three tons of natural manure were used. Since the thickly transplanted rice shoots allowed no room for people to step in, the cooperative members mixed the fertilisers with water and pumped them on to the field by tubes. The national average rice yield however remains at about 4 to 6 tons per hectare.

A new national peanut growing record has been set by the "Peace" Cooperative in Nanan County, Fukien, with a yield equivalent to 117.8 tons per hectare on an experimental piece of land. The actual yield was 7.9 tons of peanuts on one mou (one-fifteenth of a hectare). This is well above the previous national record of 99.4 tons per hectare established by the Yinghu Agricultural Cooperative in Chinkiang County, in the same province. Fulien is a major peanut-producing province in China. It expects to double its per-hectare yield on all 73,300 hectares sown to peanuts this year. The crop already gathered in the Chinkiang Administrative Region, where the peanut acreage accounts for about one half of the province's total shows a per-hectare yield of 3.9 tons, 3.2 times that of last year. Peanuts were regarded as a low-yielding crop in Fukien for a scores of years. With an average per-hectare yield generally ranging between 750 and 1,050 kilogrammes, and the highest yield only 1,267 kilogrammes per-hectare.



This year, many high yields have been reported, three places have achieved above 90 tons, including the latest, highest record of 117.8 tons per hectare. Peking therefore anticipates that there is a good chance of a bumper peanut harvest in China. This year, a total of 2.46 million hectares have been sown to peanuts in China. Unprecedentedly good peanut crops have been reported by the southern provinces of Fukien, Kwangtung and Kwangsi where harvesting of peanut is nearing completion. These three provinces account for one-fifth of the country's total peanut acreage. In the major peanut growing areas in North China, the growth of the crop also promises a good harvest. The average yield of peanuts this year is estimated at 2.2 tons per hectare.

A new national maize growing record equivalent to 119.06 tons per hectare has been set by an agricultural cooperative in Changko County, Central Honan. The record was established by the "May Fourth No. 18" Agricultural Cooperative on ten mou (two-thirds of a hectare) of experimental land. This new national record is 22.5 tons per hectare more than the previous record established by a cooperative in Siayi County in the same province. Last year, the highest national record of maize yield was only 18.9 tons per hectare. The experimental field was ploughed to a depth of one metre and harrowed three times before maize sowing. A total of 15 tons of compost, 150 kilogrammes of chemical fertiliser and bean cakes and 30 tons of natural manure were used to every mou of the land. Close-planting, hoeing and artificial pollination were also carried out.

A record tea yield equivalent to 8.82 tons per hectare has been harvested by a cooperative in Anhwei. This represents its total spring and summer crop on an area of 1.18 mou (a mou is one-fifteenth of a hectare) and is 30% more than the previous record set by the Chienlun No. 2 Cooperative in Chienyang County, Fukien. The new record was established by the "brightness" tea producers' cooperative, in Hsihsien County. 86% of the tea gathered is first or second grades. It expects to gather on this experimental plot, including the coming autumn crop, a total annual output equivalent to 11.07 tons per hectare.

Peking also claimed that China had 184 million pigs up to the end of June. This is 26.4% greater than the number registered at the end of last year and tops the state plan target set for the whole of 1958 by 22.9%. China's peasant households average 1.49 pigs each, close to the target set in the revised Draft of the 12-year National Programme for Agricultural Development which provides that China's peasant households shall average from 1.5 to 2 pigs each by 1962. Over 100 counties have fulfilled or overfulfilled the target set in the programme which provides that China's peasant households average from 2.5 to 3 pigs each by 1967. Among the areas which have achieved the highest rates of increase in pig raising are the outskirts of Shanghai and in the province of Kwangtung. They have raised 145.6% and 62.8% respectively, more than last year. The areas which have attained increases of over 30% include the four provinces of Kweichow, Honan, Szechwan and Shansi, the Inner Mongolian Autonomous Region and the Kwangsi Chuang Autonomous Region. Rapid progress has been made in collective hog raising this year. In Honan, the number of collective pig farms has grown to 53,000, more than treble that of last year. They account for a quarter of all the hogs in the province. The collective pig farms in Hopei have twice as many hogs as last year, accounting for 15% to 20% of the province's total. In Hunan, China's second largest rice-producing province, the number of collectively raised pigs has gone up to 16% of the total, from 5% last year.

#### AUTONOMOUS AREAS

An autonomous banner has been set up for the Evenki (Yakut) people who live in the former Soran Banner of the Hulunbuir League in Inner Mongolia. A banner is an administrative unit at the level of a county. The new autonomous banner has a population of around 9,500 people of Evenki, Mongolian, Tatar and other nationalities. The Evenki people, after giving up their nomadic life, have made rapid economic progress. Formerly the Evenki people had only 1,000 head of cattle. With loans and help by the government, their cattle and sheep have increased 22 times.

A new autonomous banner has also been set up for the Tatar people in the area of the Great Khingan Mountains in Northern Inner Mongolia. Named the Molitawa Tatar Autonomous Banner, after the name of the place, the area is

inhabited by a total of 63,900 people of the Tahir, Han, Evenki, Mongolian, Manchu, Hui, Korean and Olunchun nationalities. The Tahir people account for about one-fourth of the population. This banner is the area with the greatest number of Tahir people in Inner Mongolia. Its grain output had increased 60% from 1947 to 1956. The total number of livestock reached 22,000 head by the end of last year, 33% more than in 1947. In the past six months of this year, 1,390 small factories and workshops were built. A middle school and 121 primary schools have been opened in the banner. Now 96% of the school age children of the various nationalities have been enrolled. 97% of the young and middle aged people are attending spare-time literacy classes.

### CANALS

Trial navigation of a 1,000-ton steamer along a section of the Grand Canal in Kiangsu has been successfully carried out. This trial run has led to the solution of many problems connected with the canal improvement scheme and the building of vessels specially for this waterway. It is also important for developing navigation along other shallow waterways. The trial run proves that it is possible for a 2,000-ton steamer to sail along a waterway with a riverbed 60 metres in width, a water depth of three and a half metres and a radius of the curvature of the river bend not less than 600 metres. If the waterway is dredged to a depth of four and a half metres, it will be navigable by a 3,000-ton steamer. Large-scale dredging has already begun on the Grand Canal to restore navigation on this 1,700-kilometre-long waterway. First built in the sixth century BC, the canal was once a communications artery between the north and the south. It has been silted up for 130 years. At present only a part of it is navigable.

In Kansu, a canal, second in length only to the Grand Canal, will redirect the course of the Tao River from its upper reaches and will bring water to a chronically drought-ridden

region in the province. It will flow through mountain regions averaging 2,000 metres above sea level. Work has already begun on the 1,100-kilometre canal in the southeastern part of the province and the project is to be completed in two years. A 330-kilometre stretch will be built this year. When completed, the canal will irrigate 20 million *mu* of land and increase the annual grain yield to 400 *jin* per *mu*. The net increases will approximate three million tons a year. Its waterhead, if properly utilized, will have a generating capacity of 300,000 kw. An adequate supply of drinking water for the four million inhabitants in the area will be assured. Pasture land will expand by 11 million *mu*, enough to feed 200,000 head of cattle. The canal, on some of its stretches, will also serve as a navigation channel for small boats. The Tao, half the length of the new canal, originates in south Kansu. For several thousand years its waters flowed north and joined the Yellow River near the Liuchia Gorge, where a huge hydro-electric power station will be built soon. But vast stretches of farm land to its east suffered seriously from drought. Annual rainfall in this area stands at a little more than 200 mm. and the land in this bare mountain region is cut by a network of gullies. It is known to be the most drought-stricken part in Kansu and peasants say that drought occurs there nine years out of ten. It is this area which will be irrigated by the new canal. Work on the canal is referred to as "the project to lead the Tao River to the mountains." The course of the river will be diverted by the canal from north of Minhsien, 2,200 metres above sea level, to a northeastern direction. The canal will end in Chingyang, 1,400 metres above sea level. It will have a flow of 150 cubic metres per second in its 32-metre-wide and 6-metre-deep channel. The canal must run across 50 tunnels and many valleys through man-made channels supported by bridge structures. The longest tunnel is 5.6 kilometres long and the widest valley 600 metres. The project needs the work of 200,000 labourers and 1,000 technicians for two full years.

## Reports from the Philippines

The all-important thing in the Philippines is to free the nation from the fantastic graft and corruption which have flourished for so many years now and which threaten if not checked without further delay to bring about a revolution, sweeping away the political parties which have been accused as the protectors and supporters of the majority of malpractices. A moral regeneration is overdue. What remains of the once good name of the Philippines abroad must be rescued now. The Manila and Provincial press report without let-up a continuing, often brazen type of public corruption which cannot but lead to violent reactions among many Filipinos. It is not possible to exaggerate the extent of graft and corruption in the Philippines. The situation is indeed a grave one.

Pres. Carlos P. Garcia is continuing his intensive drive against graft and corruption in the government. In a series of new moves to reinforce the campaign, he named Col. Nicanor Jimenez as chief of the National Intelligence Coordinating Agency. Col. Jose Lukban, head of the National Bureau of Investigation and internationally noted as an investigator of crime and subversion, has been appointed adviser to the Presidential Committee on Administrative Performance and Efficiency. He will hold this post in addition to his NBI duties. Melcio Domingo has been named Acting Commissioner of the Bureau of Internal Revenue, replacing Finance Undersecretary Jose Trinidad, who has been serving in the post for about a month. Domingo is a career employee with 40 years of service in the bureau. Trinidad was relieved as the result of charges brought against him by Marcelino Calinawan, who heads the presidential graft-busting committee. He is accused of the irregular release of goods on a tax-free basis to Great Oriental Manufacturers and Traders, Inc. Graft-buster Calinawan has uncovered a subversive plot against the Philippine economy by a powerful group of Chinese, the chief of whom is listed in Army intelligence files as a Communist suspect. The Chinese group has been involved in export and import irregularities, including the questionable refund of paid customs duties and the misdeclarations of exports goods. All applications for barter permits were frozen by Pres. Garcia and

the Cabinet, pending final decisions on the future of Philippine barter trade.

President graft investigator Marcelino Calinawan charged three coconut producers' federations with illegal and fraudulent use of their barter privileges. The barter permits of the three federations were cancelled by the head of the No-Dollar Import Office, Carlos Quirino. Calinawan uncovered evidence of irregular transactions between the federations and hundreds of business firms to whom they illegally turned over their permits to secure goods from abroad in exchange for Philippine coconut. This was the second large irregularity involving coconut uncovered by Aguilar Enterprises which had been declared as coconut paring oil but which actually was first grade coconut oil.

The Malacanang investigators continue to check into million-peso rackets in customs tax refunds in an effort to build an airtight case against a ranking customs official and several other officials of the customs bureau. Commissioner of Customs Eleuterio Capapas was ready to quit.

Philippine producers have registered their opposition to the establishment of trade relations with communist countries. Gaudencio E. Antonino, president of the Producers and Exporters Association of the Philippines, has announced his group's support for President Garcia's stand against trade with Red China. "Considering the ideological problems that would result from trading with the Communists," Antonino said, "the Philippines should be cautious and should not establish trade relations with any Communist country except as a last resort to survival." The Philippines has no justification for trading with Communist China since the Philippines has not yet fully exploited the enormous trade potential in Europe, Africa and other Asian countries.

The Philippine Government is being forced to scale down its five-year economic development program, partly because of the discovery by the Philippine economic delegation in Washington that the Export-Import Bank and the Development Loan Fund, as well as the World Bank, will not make loans to finance importations of raw materials. The perilously low foreign ex-



## HONGKONG NOTES AND REPORTS

**Hongkong Worries & Problems**—The recent renewed local cheap sales *en masse* of goods from China and the stepped up dumping of Chinese produce and manufactures in Asian markets have caused much anxiety here. The prospect for further cheap sales of goods from China appears for some merchants and local manufacturers unnerving. To compete with Peking-decreed export prices would seem impossible. Additional to this *misere* have come recently the virtual closure of Chinese waters for local fishermen resulting in hardship among the large fishing population in Hongkong. Rumours further depress the weak-hearted among the commercial and industrial community. Upsetting is also the unpleasant and usually deceitful propaganda carried out by Communist Chinese organs and organisations in Hongkong and in the mainland press. A very sensitive and often jittery community cannot but feel uncertain about prospects facing Hongkong. Fortunately the inward stream of overseas Chinese funds continues and investments in many forms, particularly in land and construction, progress with great speed. The antipathy the overseas Chinese face in Southeast Asia, and beyond, has caused many of them to transfer part or all of their holdings to Hongkong, for safe keeping or investment; also for retransfer to countries like US, Canada, Latin America, some sterling area territories etc. The general situation is being discussed, as usual, with much alacrity and also, at times, with urgency and a *soupcen* of alarm. The 'Hongkong Standard', giving frequently blunt and dynamic expression to public sentiments, last week published an editorial which, while referring mainly to the local textile crisis resulting from Lancashire's demands for a restriction on local shipments to the UK, pointed out some of the current anxieties of Hongkong:—

"The biggest problem which is on the mind of every businessman and industrialist here is the dumping of cheap Chinese Communist products not only on the Hongkong market but throughout Southeast Asia. The cut-price sales policy of Communist China threatens to wipe out the shaky industrial structure of Hongkong. . . . But apart from dumping there are other problems of a Chinese Communist origin which worry local business leaders. During the past few months there has been increased evidence of Chinese Communist agitation in local leftist newspapers. Seldom a single day passes that the Communist press and Communist organizations here do not have some campaign in progress aimed at discrediting the

Hongkong government and stirring up civic unrest in the Colony.

"Thus far, the Chinese Communist newspapers have said nothing on Lancashire's efforts to limit Hongkong's textile exports to the UK. Since Communist China is herself seriously affected by the textile quota imposed upon her by Britain, it is most likely that the Chinese Reds will capitalise on any agreement which will lead to possible unemployment and loss of income to Hongkong workers.

"It is important for the authorities here to be fully aware of the possibilities of a Communist-inspired agitation involving textile workers in Hongkong. The issue is almost custom-tailored for the Reds: they could start strikes and labour unrest which would spread to other industries on the pretext that Lancashire was trying to break the rice bowls of Hongkong workers.

"The result of such labour strife in Hongkong would be exactly what the Chinese Communists are anxious to instigate: civic unrest, economic disturbance, bitterness stirred up by nationalism.

"These frightful consequences are not just mere imaginations. They can be real and they can be serious as the current Chinese Communist agitation at the Chung Hwa Middle School so pointedly illustrates.

"In view of the explosive political situation in Hongkong and the economic difficulties the Colony is suffering as a result of the Chinese Communist dumping, it would be highly advisable for the government here to bring these facts to the attention of Sir Cuthbert Clegg and the Board of Trade in London."

**Hongkong Farmers to Borneo**—The constant pressure of Chinese immigration and the rising unemployment as its direct result have been felt here with great concern. When it was recently announced that limited numbers of Chinese here could enter North Borneo, under certain guarantees, many prospective emigrants felt relieved. Though it will in the end only be a trickle of Chinese who might be permitted to settle as farmers in North Borneo, the hope remains that in the future more Chinese may be so fortunate as to immigrate into the jungle lands of Borneo. However the Borneans are opposed to immigration of Chinese and if they had control of their own affairs, and not the British authorities, no immigration would be possible and the usual means would be used to decrease the number of Chinese now living in North Borneo. The Chinese who will eventually settle there will face a growing spirit of hostility on the part of the natives. It may then be asked whether Chinese immigrants are wise to leave for Borneo; but the population pressure here and the inflow of people from China—where an annual natural increase of 12 to 15 million is reported—cannot but compel many Chinese here to seek emigration to whatever territory and under whatever conditions. On the matter of the North Borneo's Government decision to permit limited immigration of Chinese from Hongkong, the 'South China Morning Post' here said in an editorial:—

"The North Borneo Government announced recently that it will receive applications for entry of Hongkong Chinese for employment in agriculture, but they must either have relatives in North Borneo or secure responsible guarantors. This could be a valuable addition to the small amount of migration that goes on from the rural areas of the Colony, especially if it provides for permanent settlement under certain conditions, and not mere contract labour. Borneo badly needs both skilled and unskilled labour and it could also do with some honest farming folk. It is the lack of labour now more than anything else that prevents progress on the scale and with the speed established almost everywhere else in this region. Everybody is familiar with the difficulties. The indigenous peoples are afraid of and hostile to any large Chinese immigration. The Chinese themselves are sometimes the target of native hostility and on occasion leave Borneo in a huff. Others are inclined to leave fields and plantations or other constructive work to make a living as small shopkeepers. In some areas, where the main centres of the Chinese farming communities are to be found, pressure on the land by the Chinese already exists because of natural increase of population."

change reserves of the Philippines cannot stand the burden of financing raw material imports for new enterprises that will not become self-sustaining for several years. The need to find some formula for financing raw material imports during the remainder of this year is considered extremely urgent.

Foreign Secretary Felixberto Serrano and Japanese Ambassador Morio Yukawa resolved the travel and visa problem which had been plaguing their respective countries since last November. The problem grew out of a very harmful directive issued by Secretary Serrano restricting the entry of Japanese into the Philippines and the travel of Filipinos in Japan in retaliation against supposedly unfair treatment of Filipino visitors by Yokohama customs officials sometime last November. The restriction has now been relaxed to allow more Japanese to come to Manila and more Filipinos to travel in Japan.

The House Committee on Anti-Filipino Activities (CAFA) has been investigating the illicit flow into the country of prohibited drugs from Communist China. CAFA agents in a recent raid on a Chinese drugstore and three warehouses in downtown Manila discovered numerous crates reported to contain prohibited drugs. The agents said most of the crates had Chinese characters on them showing they had come from Red China. Customs officials have admitted that a brisk trade in goods from Red China and even from Russia, done through Hongkong, had been going on here for years. Lack of specific law barring the entry of Communist goods and a serious shortage of technically qualified personnel to examine and classify goods as to origin were the reasons given by customs officials for their inability to check the steady flow of Communist goods into the country.

**Hongkong vs. Lancashire**—The Chairman of the Hongkong General Chamber of Commerce, Mr. J. D. Clague, in his capacity as the elected Chairman of the previous committee which met Sir Frank Lee in March last, has recently received a confidential note from the Cotton Board expressing its wish for an early meeting with representatives of Hongkong industry. The Cotton Board has indicated that it has recently reached an understanding with the cotton industries of India and Pakistan by which these industries have agreed to limit for a period of three years those of their exports of cotton textiles to the United Kingdom which are for retention in the United Kingdom market. The agreements the details of which must remain confidential for the time being are conditional on a similar agreement being reached with representatives of the industries concerned in Hongkong. Mr. Clague has requested Government to assist him in the formation of a representative committee to consider the note which he has received from the Cotton Board and later to hold discussions with the delegation from the United Kingdom which hopes to leave for Hongkong in mid-September. He has been prompted to do so by two factors—(a) that the agreements already concluded with India and Pakistan cover a wider scope than grey cloth, and (b) that there is no single body fully representative of the Colony's textile and made-up industries.

In a booklet entitled 'Hongkong and its Textile Industry,' the Hongkong General Chamber of Commerce presented following facts in defence of the local textile industry against allegations made by U.K. textilemen and politicians: (1) The present agitation for restriction of textile imports is based on the argument that competition from Commonwealth countries in the U.K. domestic market is the principal cause of the recession in the Lancashire cotton textile industry. Whatever degree of truth there may be in this argument today, it should not be overlooked that Lancashire's output has been declining for three decades. The process had begun long before the competing Commonwealth countries had developed their textile industries. Statistics published by the International Federation of Cotton and Allied Textile Industries show that Lancashire had:

Spindles	Looms
in 1930 55,207,000	in 1930 692,899
in 1950 29,580,000	in 1952 349,728
in 1957 22,472,000	in 1957 283,734

Lancashire's difficulties have been mostly due to causes other than Commonwealth competition in the United Kingdom market. Lancashire in 1938 exported 1,400 million square yards of cotton cloth, and in 1952 only 700 million. Lancashire's problems are general and not confined to the domestic scene. Mr. Harold Wilson, leading for the Opposition in the House of Commons debate on the cotton industry in June last, said he was not suggesting that all that needed to be done was to deal with the problem of imports. He admitted that, in the long term, Lancashire's future depended in the main on the efforts Lancashire herself made . . . increasing efficiency, modernisation and the employment of productive resources on those goods in which Lancashire could and did still lead the world.

(2) Hongkong has been made to appear as the chief cause of Lancashire's difficulties. This is unfair. Hongkong did not enter the market to any considerable extent until 1953. Moreover, for 1957 Hongkong's total cloth shipments to the United Kingdom were less than  $4\frac{1}{2}$  per cent of Lancashire's production and only 20 per cent of the United Kingdom's total cloth imports from all sources. Hongkong has 338,750 spindles. Lancashire has 22,472,000. It is clear from these figures that one of the fundamental reasons for Hongkong's lower costs lies in the more efficient utilisation of its spindleage.

(3) It is reported that over 300 mills in Lancashire have been closed down and this has been used as an argument for the limitation of imports. It is a fair assumption that this is primarily due to the loss of export markets. Since the spindleage of these 300 mills must be many times greater than that of the whole of the Hongkong industry, most of them would presumably have had to close down even if there were no imports.

(4) Cost of Labour is the main basis of the claim for protection and one on which it is virtually impossible to draw a true comparison. The cash take home of the Hongkong worker is substantially lower than that of his counterpart in Lancashire and his standard of living is also lower. This standard is however high when viewed against the general pattern of

life in the Far East. It must be remembered that food, clothing, and most other essentials are considerably cheaper in Hongkong than in the U.K., and that in addition to this, the 19 principal mills in Hongkong provide many social benefits including free housing with water, light and heat, free medical treatment, and free or subsidised meals. In terms of real worth to the individual, the disparity is much smaller than would be indicated by a comparison of figures. . . . The only valid yardstick is as to whether the wages paid, taking all circumstances into account, represent a fair return to the Hongkong worker. This we believe they do. A precisely similar comparison could be drawn between wage levels in Lancashire and those in the United States, Canada and Australia. To ask for protection on grounds of comparative wage costs, as Lancashire is doing against India, Pakistan and Hongkong, is clearly a most dangerous precedent. Hongkong has been accused of employing "sweated" labour. At least three quarters of all cloth shipped to the U.K. from Hongkong is spun and woven in the 19 mills referred to above. Nine of these work three eight-hour shifts and, the rest two twelve-hour shifts, including overtime. Conditions in the remainder of the industry are admittedly less satisfactory and it is hoped that they can be improved. The nature of many of them is such that it will be far from easy to devise appropriate legislation which will be practically enforceable but as shown above their output represents a relatively small proportion of the whole and does not materially affect the present issue. The Chinese worker is industrious and thrifty. He hopes to become independent—to get into business for himself. He is ever anxious to earn more, and prefers to work overtime rather than to have more time off for recreation. He would object to limitation that might deprive him of opportunity to add to his pay.

(5) In no circumstances whatever are women and young persons permitted to be employed between the hours of 10 p.m. and 6 a.m. The Labour Department carried out during 1957, 746 night inspections to check on this point.

(6) Can Hongkong Afford to Raise Wages? Hongkong itself is subject to competition, from neighbouring countries. Economic conditions must be considered comprehensively. Hongkong textile workers are as highly paid in real terms as any in Asia. In the past decade, Hongkong wages have risen faster than the retail price index. The cotton textile industry has played a preponderant part in improving the Colony's standard of living.

(7) It has been made to appear that Hongkong is the principal obstacle to the reaching of a voluntary ceiling agreement with India and Pakistan. All three territories at one time or another have said that they could not reasonably be asked to accept a limitation on their shipments unless the remaining two did the same. India and Pakistan are sovereign territories with powers of retaliation if restrictive measures are taken against them. Hongkong being a Colony is defenceless. India and Pakistan are therefore in a much stronger bargaining position than Hongkong and a voluntary agreement with them is correspondingly less easily reached. Because of its relative weakness in this respect, Hongkong has been made the point of penetration for a protectionist policy within the Commonwealth. Hongkong has, in fact, undertaken, subject to certain natural and necessary conditions, to negotiate with Lancashire as and when the results of the Lancashire/India/Pakistan talks are known. Naturally the Colony's representatives at the meetings held here last March with Sir Frank Lee, Permanent Secretary of the Board of Trade, explained to him that there were substantial reasons why the Colony's exports to the United Kingdom should not be interfered with. Hongkong has pleaded that restriction, voluntary or otherwise, would create a precedent of great danger to her other exports of manufactured goods. This fear is confirmed by the representations which are being made for a limitation of the import of other Hongkong manufactures including rayons, footwear, enamel ware and gloves. There is a grave danger that other countries will be encouraged to impose similar limitations. Hongkong's textile exports constitute about 60 per cent of its total exports of locally manufactured goods. With the decline of its entrepot trade, Hongkong increasingly depends upon its industries, which are now responsible for 39 per cent of total exports. Unlike the United Kingdom, Pakistan, India and others, Hongkong has no hinterland and no large home market. It must export to live. The political atmosphere is such that unemployment could



have disastrous consequences. Thus limitation would affect the Colony's stability without greatly aiding Lancashire. Said the London Financial Times, "The increase in duty-free imports from Commonwealth countries is one, but only one, reason for the (Lancashire) industry's difficulties. A quota for this country would have no effect on one main source of worry—foreign competition in overseas markets."

(8) Hongkong, it is said, should find markets outside the U.K. We should be glad to, but markets have been lost to us through circumstances beyond our control. Hongkong's economy has suffered grievously from the United Nations embargo on trade in strategic goods with mainland China. The embargo was a measure prompted by the Korean war, but has continued in spite of the truce. Hongkong has strictly observed the ban, though this has been a major factor in reducing the value of her exports to mainland China from £96 millions in 1950 to £7½ millions in 1957. In addition, political and economic changes in other neighbouring countries, such as Indonesia, have heavily reduced our exports. Hongkong is continually trying to widen the scope of its marketing activities and to find and develop new markets for all its products.

(9) It is inferred that Hongkong has no problems comparable with Lancashire's. This ignores the realities. Of Hongkong's total population of 2.6 millions, 780,000 are refugees, some 500,000 of these, mostly destitute and having nowhere to live, "squatted" on crown and private land, building themselves shacks. At heavy cost Government has built houses for half of them, and further building is proceeding. Employment must also be provided for them. Hongkong is left to bear this burden almost unaided. This means that Hongkong has to provide livelihood for an additional population the size of Liverpool's. What would Lancashire do if 780,000 refugees from Europe suddenly arrived as permanent guests? Hongkong's textile industry is the largest employer of registered workers in the Colony. It is thus a primary factor in Hongkong's solvency.

(10) Hongkong, as a Crown Colony, is part of the Commonwealth and a party to the Ottawa Imperial Preference Agreement. The basic principle of this is reciprocity. Hongkong is a free port, but in order to conform with the Agreement imposed discriminatory duties against foreign motor-cars (15 per cent ad valorem) and liquors. The Government and people of the United Kingdom have very special responsibilities towards their colonies which do not apply to the self governing members of the Commonwealth. The people of the Colonies look up to the United Kingdom as their mother country from whom they expect to receive the same degree of consideration as that extended to all other subjects of the Queen.

(11) It has been said that a substantial proportion of the cloth imported from Hongkong to the U.K. are in fact re-exports of goods made elsewhere and are therefore not entitled to Imperial Preference treatment. The quality of the cloth produced by the Hongkong mills is so readily identifiable by those in the cotton trade that this is manifestly incorrect. Additionally, the controls operated by and on behalf of H.M. Customs ensure that imports to the United Kingdom from Hongkong genuinely qualify for Imperial Preference. The rules are rigidly enforced.

(12) The Value of Hongkong to the United Kingdom. In assessing the justice and wisdom of placing any limitation on the import of Hongkong manufactured goods to the United Kingdom, due regard must be paid to the overall picture. On the purely economic side, there is the fact that the United Kingdom consistently sells more to Hongkong than it buys from it. Sales to Hongkong in 1957 were £41 millions and purchases £21 millions. For the ten years 1949 to 1958 the figures were sales £300 millions, purchases £118 millions. Hongkong is Britain's major stock holding and trading port in the Far East. It is also the centre of British Commercial services for the area and as such is of great value to British Banking, shipping and air services, and insurance. It contributes substantially to Britain's invisible exports. It is clearly undesirable that any action should be taken which might seriously prejudice Hongkong's ability to fulfil these valuable economic functions. Hongkong has received far too little credit for the way in which, virtually without aid, it has recovered from the devastation inflicted by the war and has built itself up into a thriving centre of commerce and industry. This has in no small measure been due to the confidence, which its

people have had in its position as a colony of the United Kingdom. It is a colony which does not seek self government, and its satisfaction has been reflected in the repeated requests which it made for extensions of the term of service of its late Governor, Sir Alexander Grantham. There are clearly moral as well as economic considerations involved of which the present textile issue is but a symptom; although an important one.

"Know Hongkong"—The Hongkong General Chamber of Commerce is sponsoring a special fund for promoting Hongkong's industrial products in the United Kingdom and also for "educating" journalists, writers and the general public in Britain about the Colony. It is estimated that the promotion campaign in the United Kingdom which will include TV programmes, lectures and literature will need £10,000. The "Know Hongkong" campaign will probably be entrusted to a leading firm of public relations consultants in London. A Special Hongkong Sub-committee, which was recently appointed by the China Association in Britain for the purpose of assisting Hongkong to obtain better press publicity, might be asked to act on behalf of Hongkong. Members of this Sub-committee comprise several prominent former local residents including Mr. John Keswick (Chairman), Sir Alexander Grant-ham, Mr. J. H. Hamm, Mr. P. S. Cassidy, and others.

The Hongkong General Chamber of Commerce's campaign as "a very timely proposal," in view of the constant serious attacks on Hongkong exports by British industrialists, especially those of Lancashire, who knew very little about Hongkong's industry and conditions. In a letter to local commercial and industrial associations, the Chamber considered that the campaign would react to the benefit of all sections of commerce and industry in the Colony. It added that the Chamber was prepared to take the initiative in sponsoring the setting up of the necessary fund in conjunction with other interested associations. The Chamber will, as soon as possible, hand over the administration of the fund, once raised, to a committee made up of representatives of the sponsoring associations and of the subscribers. The Chamber is also prepared to provide secretarial service for the Committee.

Housing for Workers—A local civic leader, Mr. Cheung Wing-in of the Civic Association, recently advocated that Government should help in providing low-cost housing for workers and others who are earning below \$300 per month. He said: "Government's main concern at present appears to be squatter clearance and resettlement. Housing for the average man has been largely left to voluntary organisations with Government assistance and private enterprise. The majority of our workers are housed in overcrowded small cubicles and bed spaces which are beyond endurance. In many cases a whole family of five or six occupy a bed space or cubicle measuring 60 to 70 square feet. Furthermore, large numbers of old tenements are being pulled down to make way for new ones and the number of tenants evicted by tenancy exemption proceedings is increasing every year. Fair compensation is being paid to these tenants but it is insufficient to enable them to find accommodation in new houses on account of the very high rental charged by private owners. Many of these evicted tenants resort for shelter in junks or sampans tied up in typhoon shelters, on roof tops, stair-cases, side streets and pavements."

"The Housing Authority have made commendable efforts to provide low-cost housing for the general public and Government has allocated to the Authority \$80 million for the purpose. The North Point scheme has provided accommodation for 10,000 persons although in this case there has been much public criticism of the rate of rental and the Authority had to raise the upper level of income groups to find suitable tenants for the more expensive flats. Two of the four blocks of the Cadogan Estate, a scheme of 636 flats to accommodate about 4,000 people in all, have recently been completed and the remaining two blocks would be completed early next year. The rental in the Cadogan Estate is lower, but these flats are still primarily intended for white-collar classes who earn between \$300 and \$900 per month and are able to set aside one-fifth of their income for rent. These Housing Authority flats are designed for occupancy by between five and 10 persons at rents varying from \$81 (for a five-person flat) to \$141 (for a 10-person flat) exclusive of rate and water charges. Similar schemes are afoot in So Uk Village (to provide 5,000 flats accommodating 28,000 people), Clear Water Bay Road area (to

provide 5,800 flats accommodating 31,700 people) and Matauchung. The last mentioned scheme is now only in the initial stage of development. The Housing Society has been responsible for the erection and management of 1,500 flats in Sheung Li Uk, Hunghom, Healthy Village, North Point and Matauchung. A new project is contemplated at the end of Shu Kuk Street near King's Road. The rent of these Housing Society Flats varies from \$50 to \$81 for a five-person flat and \$75 to \$117 for a 10-person flat. For the above schemes land had been granted by Government at half the upset price and loans had been made with interest at 5% per annum and repayment over 40 years. But on the above terms, reasonable as they were, it was still impossible to produce reasonable accommodation to be let at a rental which the majority of the workers could afford.

"Rental charged by Government in resettlement estates is much cheaper. Of course the flats built by the housing organisations are self-contained with their own kitchens and sanitary facilities and in many cases with a small verandah and are generally of a much better type of accommodation than resettlement houses with only communal facilities. But this alone does not account for the two to three times difference in rental. In fact the Resettlement Department have built self-contained flats of an experimental nature in Lo Fu Ngam and the rental required is only \$45 for a seven-person flat and \$65 for a 10-person flat. This type of flats is about what our workers want and desire. They should have accommodation of self-contained flats perhaps not so lavish as the North Point Estate but certainly better than resettlement blocks. Why have not Government or the Housing Societies built more flats of the Lo Fu Ngam type for the benefit of workers below the \$300 scale? The explanation lies in difference of treatment by Government of the squatter problem and of the problem of housing the general public. The resettlement estates are exempted from rates. Administration expenses to the tune of \$5,000,000 to \$6,000,000 annually are borne by Government and the burden falls on the public. Large areas of land were granted at nominal prices. The housing societies cannot charge similarly low rental for flats built by them because their tenants have to pay rates, bear a portion of administration and management expenses and a part of the price of land acquired at half the upset price. No one is begrudging the generous treatment that Government has given to the squatters. In fact that was the only solution to a most difficult and urgent problem. But now that this problem is under control it is time that Government should give more thought to local residents of income brackets below \$300. These people by reason of their longer association with the Colony, their contribution to industries and their dire need for assistance have even a better claim to similarly special treatment."

**Subway Under Connaught Road**—Government has decided to build a pedestrian subway under Connaught Road Central connecting with the Star Ferry piers. Alternative schemes for the provision of either a subway under the road or a footbridge over it have been under consideration for some months. The subway will be a continuation of the existing covered way leading from the Star Ferry pier and will take about six months to complete. The heavy pedestrian traffic to and from the ferries seriously impedes the flow of vehicular traffic in Connaught Road. Recent surveys have shown that as many as 250 people a minute cross the road during the morning and evening rush hours, and that vehicles are frequently held up for long intervals. The subway will do much to eliminate inconvenience to both motorists and pedestrians. The subway will be 26½ feet wide and 135 feet long where it passes under Connaught Road. It will be approached from each end by easy ramps with a gradient of 1 in 10. The ramps will be enclosed by roofs and side screens to give protection from the weather and when finished it will be possible to walk under cover from the Ferry piers to Chater Road. Staircases will also be provided for people who wish to enter or leave the subway at Connaught Road. The ramp between Connaught Road and Chater Road has been so designed that if, in the future, it is decided to continue the subway under Chater Road, the alteration and extension can be carried out at minimum inconvenience and expense.

**Reclamation Work**—Government proposes to reclaim approximately 17 acres of foreshore and seabed at To Kwa

Wan to be used as an industrial site. The reclamation will be achieved by extending the existing seawall adjacent to the Kowloon City ferry pier to To Kwa Wan Island, from where another seawall measuring some 800 feet will be laid to join a point near the site of the former Bailey Shipyard. Construction work on the new seawall, which will take from 15 to 18 months to complete, will take place in the first quarter of next year. With this reclamation, To Kwa Wan Island will cease to exist as such. It is planned however to turn the present area of the island into a public open space.

In Kun Tong, the Ngau Chai Ridge will be levelled. It is a shoulder of land immediately to the south of the Ngau Tau Kok service reservoir, which is at present being constructed to supply water for the new Kun Tong industrial township. From this ridge, it is hoped to obtain about 1,500,000 cubic yards of filling material to fill the present low-lying area of the Kun Tong commercial centre, which will take up ten acres of land. The surplus material will be used to provide some 50 acres of reclamation at Kun Tong. The levelling of Ngau Chai Ridge to suitable formation levels will also provide about 18 acres of land for development.

**New Primary School**—A new primary school, which will have accommodation for more than 2,000 pupils in two sessions, will be built by Government in Cheung Hong Street, North Point. The four-storey building will have 24 classrooms, six on each floor. In addition, there will be three small rooms for handicraft work, the teaching of domestic science and general purposes. There will also be an assembly hall, a stage, a basketball court, a rooftop playground and showers for pupils. The sloping site of the school building will make it possible to add a basement playground. Construction work on the building is expected to begin in a month's time and take about half a year to complete.

**Causeway Bay Magistracy**—An impressive ten-storey building, to be known as the Causeway Bay Magistracy, will be constructed at the junction of King's Road and Hing Fat Street, at the edge of Victoria Park. Designed by Palmer and Turner, the new building will be the second of the four new magistracies to be built in the Colony. The others will be situated in the Western District, in North Kowloon and at Fanling, in the New Territories. The main public entrance will front on to Electric Road. Easy access will be provided from a spacious hall on the ground floor to the three magistrates' courts and a juvenile court all of which will occupy the lower three floors. In addition to the courts, there will be office accommodation on the upper seven floors for the Department of Social Welfare, the Urban Services Department and the Registration of Persons Office. The whole building will be air-conditioned and provision has been made for a staff canteen on the top floor. There will be a private entrance for magistrates and a separate entrance for those using the offices on the upper floors. Construction will begin sometime in October and the new building is expected to be ready for use in the spring of 1960.

**Imports of Rice, Frozen Meat and Coal**—The average price of rice on the local market dropped \$1 per picul during July, making a total average reduction of \$3 per picul since June 1. During June-July, Bangkok f.o.b. prices dropped by an average of £1-5-0 per metric ton. In July, 16,248 metric tons of edible rice were imported:

Source	Jan.-July, 1958		July, 1958	
	M/Tons	%	M/Tons	%
Thailand .....	99,687	52.4	9,713	59.8
Cambodia .....	45,000	23.7	600	3.7
China .....	37,087	19.5	4,665	28.7
North Vietnam ..	6,664	3.5	308	1.9
South Vietnam ..	1,400	.7	500	3.1
Burma .....	457	.2	457	2.8
Australia .....	50	—	—	—
Pakistan .....	5	—	5	—
	190,350	100.0	16,248	100.0

Offtakes for July were 22,324 metric tons, a weekly average of 5,581 metric tons as compared with 5,509 metric tons in the previous month, and 5,565 metric tons in the corresponding month of last year.

During July, 360 tons of frozen meat were imported, while offtakes were 467 tons; stocks remained at a satisfactory level. Imports of coal totalled 11,523 tons.



# FINANCE & COMMERCE

## HONGKONG EXCHANGE

### MARKETS

Aug.	U.S. \$			
	T. T. High	T. T. Low	Notes High	Notes Low
25	\$582	581	580 $\frac{3}{4}$	578 $\frac{3}{4}$
26	582 $\frac{1}{2}$	581 $\frac{3}{4}$	580 $\frac{1}{2}$	580 $\frac{1}{8}$
27	581 $\frac{1}{8}$	581 $\frac{1}{2}$	580 $\frac{1}{4}$	579 $\frac{5}{8}$
28	581 $\frac{3}{4}$	581 $\frac{1}{4}$	580 $\frac{1}{2}$	579 $\frac{5}{8}$
29	582 $\frac{3}{4}$	582	581 $\frac{1}{2}$	580 $\frac{3}{8}$
30	H o l i d a y			

D. D. rates: High 581 $\frac{1}{2}$  Low 580.

Highest and lowest rates in August were: T. T., 584 $\frac{1}{4}$  and 581; Notes, 582 $\frac{1}{4}$  and 578 $\frac{3}{8}$ .

Trading totals last week: T. T. US\$3,540,000; Notes cash US\$330,000, forward US\$2,120,000; D. D. US\$310,000. The market was uncertain; New York cross rates were steady but local speculative buying was bullish. In the T. T. sector, gold importers provided steady but restricted demand. In the notes market, speculative demand was stimulated by the mounting tension over the Formosa Strait. Interest for the change over favoured sellers and aggregated HK\$2.30 per US\$1,000. Speculative positions averaged US\$2 $\frac{1}{2}$  million per day. The D. D. sector was very quiet.

**Far Eastern Exchange:** Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.65—1.51, Japan 0.014475—0.014375, Malaya 1.88—1.875, South Vietnam 0.07142—0.07117, Laos 0.048, Cambodia 0.08, Thailand 0.2717—0.269, Indonesia 0.0645—0.0625, India 1.02. Sales: Pesos 240,000, Yen 40 million, Malayan \$210,000, Piastre 6 million, Kip 3 million, Rial 4 million, Baht 2 million, Rupiah 1 million, Rupee 150,000. Peso continued to drop in the local market under selling pressure brought about by the sustained influx of Chinese capital from the Philippines. Indian Rupee also dropped under heavy selling.

**Agreed Merchant T. T. rates:** Selling and buying per foreign currency unit in HK\$: England 16.2025—16.1006, Australia 13.0169—12.7575, New Zealand 16.237—15.868, United States 5.7971—5.7143, Canada 5.9701—5.8824, India 1.2158—1.2048, Pakistan 1.2176—1.2039, Ceylon 1.2214—1.2066, Burma 1.2158—1.2048, Malaya 1.8868—1.8692. Selling per foreign currency unit in HK\$: South Africa 16.237, Switzerland 1.3333, Belgium 0.1171, West Germany 1.3913.

**Chinese Exchange:** Official rates of People's Yuan unchanged at 6.839 per Pound Sterling, 0.427 per HK\$, 0.805 per Malayan \$, 0.514 per Indian or Pakistan Rupee, 0.585 per Swiss Franc, and 2.345 per US\$; cash notes quoted here \$0.68—0.65 per Yuan. Official selling and buying rates of Taiwan Dollar remained at 24.78 plus 11.60 and 24.58 plus 11.50 per US\$; 4.34 plus 2.03 and 4.30 plus 2.01 per HK\$; 590.00 plus

## LAST WEEK'S SELLING RATES OF LOCAL EXCHANGE DEALERS

Country	Currency	Denomination	In HK\$	In US\$
America	Dollar	5-100	5.81	—
Australia	Pound	5-10	12.60	2.176
Britain	Pound	1 and 5	16.20	2.798
Burma	Kyat	10-100	0.53	0.092
Cambodia	Rial	all	0.081	0.01399
Canada	Dollar	5-20	5.89	1.017
Ceylon	Rupee	5-100	0.93	0.161
France	Franc	all	0.0126	0.002176
Hongkong	Dollar	all	—	0.1727
India	Rupee	all	1.18	0.204
Indonesia	Rupiah	all	0.075	0.01295
Japan	Yen	100-5000	0.0146	0.002521
Laos	Kip	all	0.048	0.00829
Macao	Pataca	all	1.01	0.174
New Zealand	Pound	1-10	14.20	2.452
Pakistan	Rupee	100	0.81	0.14
Philippines	Peso	5-100	1.58	0.273
Singapore	Dollar	5-100	1.85	0.319
South Africa	Pound	all	15.80	2.729
Switzerland	Franc	all	1.37	0.235
Taiwan	Dollar	5 and 10	0.14	0.02418
Thailand	Baht	10-100	0.27	0.04663
South Vietnam	Piastre	all	0.073	0.01261

276.19 and 585.24 plus 273.81 per 10,000 French Francs; and 69.38 plus 32.48 and 68.82 plus 32.20 per Pound Sterling. Cash notes quoted \$0.1365—0.13 per T\$, and remittances, 0.134—0.133.

**Bank Notes:** Highest and lowest rates per foreign currency unit in HK\$: England 16.10—16.08, Scotland 14.80, Ireland 13.50, Australia 12.53, New Zealand 14.10, Egypt 10.03, East Africa 15.15, South Africa 15.73, West Africa 13.00, Jamaica 13.50, Gibraltar 13.50, Malta 12.50, Cyprus 12.50, Fiji 10.00, India 1.1774—1.1772, Pakistan 0.795, Ceylon 0.92—0.915, Burma 0.515, Malaya 1.854—1.842, Canada 5.94—5.895, Cuba 5.00, Argentina 0.12, Brazil 0.035, Peru 0.24, Mexico 0.40, Philippines 1.66—1.53, Switzerland 1.33, West Germany 1.365, Italy 0.0091, Belgium 0.107, Sweden 1.02, Norway 0.72, Denmark 0.77, Netherlands 1.45, France 0.0125—0.0124, South Vietnam 0.0715—0.071, Laos 0.05—0.045, Cambodia 0.081—0.0795, New Guinea 1.10, Indonesia 0.068—0.063, Thailand 0.2655—0.262, Macao 0.996—0.995, Japan 0.01455—0.01435.

Gold Market			
Aug.	High .945	Low .945	Macao .99
25	\$253 $\frac{1}{4}$	252 $\frac{3}{8}$	Low 264
26	253 $\frac{1}{4}$	253	
27	253 $\frac{1}{8}$	252 $\frac{3}{8}$	
28	253 $\frac{1}{8}$	252 $\frac{3}{8}$	
29	253 $\frac{1}{4}$	253 $\frac{1}{4}$	265 High
30	H o l i d a y		

Opening and closing prices were 252 $\frac{3}{4}$  and 253 $\frac{3}{4}$ ; highest and lowest, 253 $\frac{3}{4}$  and 252 $\frac{3}{8}$ . Highest and lowest prices in August were 254 and 252 $\frac{1}{8}$ . The market last week was quiet but steady on account of speculative buying. Interest favoured sellers and aggregated HK\$0.63 per 10 taels of .945 fine. Tradings

averaged 8,500 taels per day and amounted to 42,500 taels for the week, in which 7,520 taels were transacted in cash (1,320 taels listed and 6,200 taels arranged). Imports from Macao totalled 8,000 taels. Exports amounted to 9,000 taels (5,000 taels to Singapore, 3,000 taels to Bangkok, and 1,000 taels to India). Differences paid for local and Macao .99 fine were HK\$12.20 and 11.20 respectively per tael of .945 fine. Cross rates were US\$38.06—38.04 per fine ounce, and 25,600 fine ounces were contracted at 38.04 cif Macao. US double eagle old and new coins quoted \$263 and 239 respectively per coin, English Sovereigns \$59 per coin, and Mexican gold 'coins \$275.50 per coin. **Silver Market:** 500 taels of bar silver traded at \$5.50 per tael, and 600 dollar coins at \$3.36 per coin. Twenty-cent silver coins quoted \$2.70 per five coins.

## HONGKONG SHARE MARKET

The market was not very active last week. Turnover averaged less than half a million dollars every day: Monday, \$349,000; Tuesday, \$434,000; Wednesday, \$238,000; Thursday, \$483,000; Friday, \$685,000. There were still more sellers than buyers. Many investors were reluctant to extend their commitments because most companies had not yet announced their interim dividends. A few oversensitive buyers were worried about the mounting tension over the Formosa Strait but the general sentiment on the market was undisturbed.

Trading in Utilities still accounted for the bulk of the business although prices were fractionally lower than during the preceding week. The announcement by the HK Electric Company of a new issue of one share for every five held at par

Share	Aug. 22 Closing	Highest	Last Week's Lowest	Rate Friday Noon	Up & Down	Dividend	Estimated Yield (%)
HK Bank .....	\$767.50b	\$770	\$760	\$760	—\$7.50	\$45	5.92
Union Ins .....	73.50	74	73.50	73.50	firm	\$3.40	4.63
Lombard .....	28	28.50	28b	28n	firm	\$2	7.14
Wheelock .....	5.95	6s	5.90	5.95s	steady	75c	12.61
Yangtze .....	5.90	6s	5.80b	5.85b	steady	65c	11.11
Allied Inv .....	4	4.05	4	4b	steady	25c	6.25
HK & FE Inv ..	9.80n	—	—	9.80n	quiet	80c	8.16
HK Wharf .....	100n	—	—	100n	quiet	\$9	9.00
HK Dock .....	42.25b	43s	42.25b	42.75	+50c	\$2	4.68
Provident .....	11.70	11.60	11.50	11.50	—20c	\$1	8.69
HK Land .....	32.25	32.25	32	32.25s	steady	\$2.40	7.44
HK Realty .....	1.425s	1.425s	1.375	1.425s	steady	15c	10.53
HK Hotel .....	21.30	20.80	20.70	20.70	—60c	\$1.50	7.25
Star Ferry .....	110n	—	—	110n	quiet	\$9	8.18
Yauamati .....	95.50	95	94.50	95s	—50c	\$7.50	7.89
Trams .....	26	26	25.60	25.70	—30c	\$1.90	7.39
Light .....	17.50	17.50	17.30	17.30	—20c	\$1.10	6.36
Electric .....	27.80s	28	27.30	28	+20c	\$1.90	6.79
Telephone .....	25.60	25.70	25.30	25.30	—30c	\$1.50	5.93
Cement .....	22.40s	22.30s	22.10s	22.20s	—20c	\$3	13.51
Dairy Farm .....	17.50	17.40	17.10	17.20	—30c	\$1.80	10.47
Watson .....	10.90	11s	10.90	11s	steady	\$1	9.09
Amal Rubber ..	1.55	1.575s	1.55	1.55s	steady	20c	12.90
Textile .....	3.75	3.70	3.70b	3.70b	—5c	60c	16.22
Nanyang .....	6.90b	7	6.90b	6.95b	+5c	\$1.10	15.83

(\$10) and an interim dividend of 60 cents (same as that for 1957) was favourably received; over 10,000 shares changed hands during the week at prices steadily firmer toward the end of last week.

HK Banks had less number of shares traded than during two preceding weeks; at noon on Friday, the price dipped to \$760 which is the lowest so far this year. HK Docks retained steady demand and firm prices throughout the week; buyers tried to force prices down to \$42.25 but sellers wanted \$43 and compromised at \$42.75.

Lands were steady at \$32 and \$32.25 but the volume of business was much smaller than during the past few weeks. Hotels had no buyers at \$21.30 and \$21.20; a few sellers finally liquidated their holdings at \$20.80 and \$20.70 which were still better than the lowest of the preceding week. Dairy Farms retained steady demand but prices were depressed by selling pressure.

Cements had no buyers although selling offers eased from \$22.40 to \$22.10. If the Company is able to pay a dividend of \$3 per share as in 1957, this share offers an annual yield of 13.51 per cent. However, no one expects to have a \$3 dividend this year in view of the restricted exports of cement to SE Asia.

**Dividend**—The Hongkong Electric Co. declared an interim dividend of 60 cents per share for 1958, payable on 22nd September 1958. They also declared an issue of one share for every five shares held at par, payable on or before 15th December 1958, in respect of shares held on 8th September 1958. The shares will rank in all respects *pari passu* with the present issued capital as from the 1st January 1959. Providing there is no serious fluctuation in the price of fuel, the company expects to maintain an overall dividend of \$1.90 per share for 1959.

## HONGKONG TRADE REPORTS

Exports of Hongkong manufactured cotton goods to UK and SE Asia continued active last week but local mill-owners were far from cheerful. They were not only concerned with the Chinese dumping of cheap cotton goods on the local market and in SE Asia but also worried about the possible restriction on exports of cotton goods to UK.

Hongkong's entrepot trade was still very sluggish. Shipments of produce to Japan and Europe were not as substantial as during the first half of the month while reexports of British, Japanese and American industrial supplies and consumer goods to SE Asia remained at a low level.

**Trade with China**—Large consignments of foodstuffs and an ever greater variety of light industrial products continued to arrive from China by steamer and by rail. The bulk of the food supply is consumed locally. The majority of the local population enjoy the cheap foodstuffs and delicacies such as canned birds' nest soup from the mainland. Local contractors welcome the heavy imports of Chinese cement, steel bars and other construction materials while local processing mills and garment factories quietly bought up cotton piecegoods from Shanghai and other textile centres on the mainland.

On the other hand, the Green Island Cement Company's local and export business has been greatly reduced by the dumping of Chinese cement in HK and in SE Asia (particularly in Malaya and Singapore). The company's dividend dropped from \$4 per share in 1956 to \$3 per share last year. This year, the company will not be able to sustain a \$3 dividend and consequently there are now more sellers than buyers in the local stock exchange for this share. The Taikoo Sugar Refining Company has been forced to mark down prices of its products again and again this year on

account of the keen competition from Canton and Tientsin.

Furthermore, many local traders (including several European firms who are members of the HK Exporters' Association) are now pushing the reexport of Chinese shirts, cloth, canned food, knitwear, drawn lace work, embroideries and other Chinese light industrial products to Europe, South America, Africa and other overseas markets instead of handling similar Hongkong products. Local manufacturers find the mounting threat from Chinese light industrial products particularly serious in overseas markets because over 80 per cent of the sales of local products depends on exports to foreign markets.

Exploiting the free publicity given here and abroad to the dumping of Chinese products, Canton announced last week that the semi-annual export products fair, to be opened there on October 15, would display 5,000 new industrial products including wrist watches, motor cars, jeeps and artificial textile fibres. According to a Communist paper published here "a large number of prominent Hongkong residents" have ordered passenger cars from China; deliveries will be made before the end of this year.

**Trade with Japan**—Local dealers are still restricting imports from Japan to a minimum on account of the sluggish re-exports of Japanese cotton textiles, woollen goods, paper, metals and other supplies to SE Asia and other markets. To stimulate HK's reexports of Japanese products, businessmen from Nara Prefecture conducted a 3-day exhibition of products from Nara at the showroom of the Japanese External Trade Recovery Organisation in Man Yee Building; 10,000 exhibits of 330 kinds of goods (principally textiles, household medicines and sundries) were displayed.

**Trade with UK**—According to Mr. J. D. Clague, Chairman of Hongkong General Chamber of Commerce, the UK Cotton Board delegation will soon come here to negotiate the restriction of shipments of HK cotton goods to UK. The Cotton Board indicated that it recently reached an understanding with the cotton industries of India and Pakistan by which these two countries agreed to limit, for a period of 3 years, their exports of cotton textiles to UK which are for retention in UK. The agreement (details of which are not disclosed) is conditional on a similar agreement being reached with Hongkong textile industry. Mr. Clague also revealed that the UK delegation wanted the talk to cover a wider scope than grey cloth. Mr. Lee Mon, Chairman of HK Cotton Spinners Association, pointed out that at the last negotiation with Sir Frank Lee from London, it was agreed that future negotiations will deal only with grey cloth shipped to UK and retained there. It was also understood that prior to the resumption of new talks, the details of Lancashire's agreement with India and Pakistan must be made available to HK.

Actually this is not a suitable time to hold such a talk because local mills are already struggling under the unfair competition from Chinese cotton goods. It



## COMMODITY PRICES

## PRODUCE

remains to be seen whether or not a satisfactory agreement could be reached. Prospects are not bright because Lancashire representatives want to restrict imports of other cotton goods in addition to grey cloth. If Lancashire people have their ways, HK mills will be forced to cut their production to such an uneconomical level that HK goods will no longer be able to compete with other products. If the closing down of HK mills will help to revive the textile industry of Lancashire, the sacrifice can at least be considered as "great". But the fact is, as Mr. Clague has pointed out, that it will not help Lancashire fundamentally if our whole industry is closed down!

**Trade with Thailand**—Orders from Bangkok covered only small lots of structural steels, pharmaceuticals, cotton yarn, camphor products and other essentials. Thai markets are now overstocked with Chinese goods which are much cheaper than Hongkong and Japanese products in most cases. The volume of direct trade between China and Thailand will further increase if China starts to buy rubber from Thailand (the export ban on this item has been lifted by Bangkok).

**Trade with Indonesia**—Djakarta bought only some cotton textiles from here last week. Reports from Djakarta disclosed that the Indonesian Government was planning to tighten control on imports of non-essentials during the next fiscal year on account of a deficit of eight billion rupiahs in the budget for 1959 which estimated the year's total expenditure at 28.9 billion rupiahs against total revenue of 20.9 billion rupiahs. The drop in revenue of 2.4 billion rupiahs from that of the preceding year was due to the decline in exports and the loss of earnings in foreign exchange and tax on account of illicit trade conducted by some Indonesian territories.

**Trade with Africa**—Exports of HK manufactured shirts, cotton textiles and other products as well as reexports of Japanese goods to South Africa remained quiet. According to reports from Johannesburg, large quantities of Chinese goods are being offered in South Africa at extremely low prices. Among them are textiles, ceramics, electric appliances, rubber goods, sundries and garments.

**Trade in Produce**—In contrast to the unlimited supply of foodstuffs from China, consignments of popular produce from the mainland were restricted to small lots. Business was therefore small on the local produce market although demand from Japan, Europe and other sources was keen on items such as sesame, cassia, aniseed oil, woodoil, rosin, beans, feather, galangal and menthol crystal. Dealers here recently curtailed imports from SE Asia because cost of replenishment remained high in most cases.

**Trade in Metals**—Demand from China for metal plates, steel wire rope and other supplies was not sustained. The market last week registered only selective demand from SE Asia (chiefly from Thailand, Singapore and Taiwan) for small quantities of structural steels and base metals. Prices were firm, mainly due to high replenishment cost.

**Trade in Paper**—The market was very quiet. There was practically no order from Seoul; authorities there had imposed new restrictions on imports of cellophane. Prices in the local market remained firm because cif offers from Japan will soon be increased on account of the higher freight charges while supply from China was not as substantial as before.

**Trade in Industrial Chemicals**—Trading was slow in the local market. There were more enquiries than orders from Taiwan for stearic acid, lithopone, iron oxide, ammonium chloride, petrolatum, shellac and rongalite C lumps; buying offers were too low to interest local dealers in most cases.

**Trade in Pharmaceuticals**—Selective demand from SE Asia, Korea and Taiwan kept the market buoyant but short stock here restricted the volume of business. Only small lots of sulfonamides and vitamin B1 powder were absorbed by the Philippines; aspirin by Singapore, Malaya, Thailand and Cambodia; and saccharum lactose and antipyrin by Korea.

**Trade in Cotton Yarn**—HK cotton yarn was kept firm by orders from the Philippines, Indonesia and New Zealand. There were also enquiries from Burma for HK yarn but local mills anticipated that the order would go to China and Japan. Pakistan brands were firm on dwindled stock and high indents but there were no buyers on the market. Chinese yarn attracted not only local demand but also orders from Thailand and Indonesia. Competition from Chinese cotton yarn in the local market is not as serious as in the case of cotton piecegoods.

**Trade in Cotton Piecegoods**—HK grey cloth and coloured cloth retained steady prices because spot goods were light and most weavers and processing mills were still rushing deliveries covered by previous orders. Chinese grey cloth remained weak under heavy stock and new arrival; reexports were quiet while local demand was limited. Japanese greys were also sluggish under heavy supply.

**Trade in Rice**—Prices were firm in the local market because Bangkok had marked up new indents and cut exports. Dealers here do not anticipate any sharp price increase here because local stock is adequate and imports from China, Burma, Cambodia and other sources continued steady.

**Trade in Wheat Flour**—Better local demand firmed HK products while delayed arrival of new supply improved prices for Canadian brands. The general price level remained low because Japan continued to ship here substantial quantities of cheap brands.

**Trade in Sugar**—Local consumption improved but prices for both Taikoo and imported brands remained low because more sugar arrived during the week from China, Taiwan, Japan and Indonesia.

**Trade in Cement**—Demand from North Borneo, Singapore, Malaya and Burma for cement revived but quantities involved were still too small compared with heavy imports from Japan and China. Prices for Green Island and imported brands remained low.

**Aniseed** Star—Kwangsai, export quality, £105 per ton c & f Europe. North Vietnam, new stock, \$58 per picul.

**Camphor Tablets**—HK, prices per pound: 1/16-oz tablets, \$3; 1/8-oz tab, \$2.90; 1/4-oz tab, \$2.85; 1/2-oz tab, \$2.80.

**Cassia Ligna**—Kwangtung/Kwangsai, Rs84 per 80-lb bag c & f India.

**Duck Feather**—China, export quality, NN 85%, 3s 2d per pound c & f Europe.

**Goose Feather**—HK, GGS 90%, 4s 6d per lb c & f Europe.

**Dyed Hen Feather**—Szechuen, 57d per lb c & f Europe.

**Garlic**—Kwangtung, toasted 1st quality, \$85 to \$112 per quintal; 2nd, \$68 to \$95 quintal.

**Gypsum**—Hupeh, white, \$13.50 picul.

**Menthol Crystal**—HK, \$36.50 lb. Shanghai, \$36.50. Taiwan, \$27.50.

**Peppermint Oil**—HK, \$14.50 lb. Shanghai, \$22.50. Taiwan, \$12.

**Red Dried Chili**—Honan, £67 per metric ton c & f Colombo.

**Rosin**—South China, mixed, A grade, \$102 per quintal.

**Hemp Seed**—Kwangsai, large, \$85 picul.

**Sesame**—Indonesia, yellowish-white, \$82 picul.

**Kwangchowan**, black, \$110. Thailand, brown, \$70. Cambodia, brown, new, forward, \$60.80.

**Taiwan**, black, \$80.

**Aniseed Oil**—China, 7s 5d per lb c & f Europe.

**Camphor Oil**—China, in drum, white, \$116 picul.

**Taiwan**, \$120.

**Citronella Oil**—Hainan, forward, 3s 6d per lb c & f Europe.

**Taiwan**, forward, US\$0.52 per lb c & f New York.

**Cassia Oil**—China, 80/85%, 13s 2d per lb c & f Europe.

**Woodoil**—Refined, in drum, prices per long ton: £120 c & f Australia; £123 c & f New Zealand; £109 c & f Canada.

**Bitter Almond**—Tientsin, red membrane, old £150 per metric ton c & f Europe.

**Hop Seed**—Tsingtao, second quality, \$18 picul.

**Maize**—Cambodia, yellow, forward, \$21.50 picul.

**North Vietnam**, yellow, \$21 picul.

**Black Bean**—Kwangsai, small, new, \$482.80 picul.

**Broad Bean**—Chekiang, \$43.50 picul.

**Green Pea**—Szechwan, 1st, \$54 picul.

**Cambodia**, 2nd, \$51.50.

**Thailand**, large, \$61.

**Red Bean**—South Vietnam, new, \$32 picul.

**Kiangsu**, \$67.50.

**Bamboo Bean**—Burma, white, \$28 picul.

**China**, \$24.50.

**South Vietnam**, \$40.

**Soya Bean**—Dairen, new, \$48 picul.

**Green Bean**—Kiangsu, \$46.80 picul.

**Honan**, small, \$41.50.

**Groundnut**—Indonesia, new, \$80 picul.

**China**, Tsingtao, unsorted, forward shipment \$66 per metric ton c & f Europe.

**Africa**, assorted, new, \$96 picul.

**Groundnut Oil**—Africa, in drum, \$140 picul.

**China**, \$95 to \$118 picul.

**Cambodia**, new, \$151 picul.

## METALS

**Mild Steel Angle Bars**—Europe, 3/16" x 1 1/2" x 1 1/2", \$42.50 picul.

**M.S. Flat Bars**—Europe: 1/8" x 1" to 1 1/4", \$42 picul.

**HK**, 1/8" x 1 1/2" to 1" and 1/4" x 1 1/2" to 2", \$35 picul.

**M.S. Round Bars**—Europe: 3/8" to 7/8" dia, \$32.50 picul; 1" dia, \$33.50.

**HK**, 1/4" to 1" dia, \$33 picul.

**M.S. Square Bars**—Europe, 3/4" and 7/8", \$44 picul.

**Mild Steel Plate**—Japan, 4' x 8': 1/32", \$60 picul; 3/32", \$53; 1/4", \$42; 1/2", \$41.

**Steel Wire**



**Rope**—UK, 24 x 6 x 7: 1/4", \$1.80 per lb; 1 1/2", \$1.70. HK, 24, x 6 x 720: 1", \$1.50; 2", \$1.02; 2 1/4", 98¢; 2 1/2", 94¢; 4", 83¢ lb. **Tinplate Waste Waste**—Coked: UK, 18" x 24", \$80, per 200-lb case. Electrolytic: US, 18" x 24", 1 ton skid, \$74 per 200 lbs; UK, \$71. **Misprint**: US, 18" x 24" and larger, \$36 picul. **Blackplate Waste Waste**—UK, 18" x 24" and larger, G29/G33, \$42 picul. **Tinplate**—UK, 20" x 28", \$120 per case of 200 pounds with tin lining. **Blackplate**—Papan, 3' x 6', G18, \$60 picul; G20, \$61; G26, \$65 picul. **Galvanized Iron Sheet**—Japan, 3' x 7', USSG24, 50¢ per pound; USSG34, \$4.10 per pc. **Aluminium Sheets**—UK, rolled, 99.5% alloy, 2' width, G22, \$1.90 pound. **Brass Sheets**—HK, rolled, 12" width, 10/11-oz per square foot, \$218 per picul. **Wire Nails**—HK: 3/8" x 18 BWG, \$70 picul; 1" x 15 BWG, \$52. Europe: 3/4" x 17 BWG, \$72 picul; 1" x 15 BWG, \$50. **Steel Wire Rods**—Europe, 2nd grade, 7/32", \$30 picul. **Black Iron Pipes**—Europe, 18' to 22': 1/2" dia, 35¢ per foot; 3/4" dia, 45¢; 1 1/4" dia, 77¢; 2", \$1.25. **Galvanized Iron Pipes**—Europe, 18' to 22': 1/2" dia, 40¢ foot; 1" dia, 72¢; 2", \$1.50; 3", \$2.70; 4", \$4.10 foot. **Copper Scraps**—96% mixed, \$160 picul. **New Brass Cuttings**—\$158 picul. **Cast Iron Scraps**—\$15.80 picul. **Wrought Iron Scraps**—1st choice, \$245 per ton; 2nd choice, \$1.60.

#### PAPER

**Newsprint**—In reels, 31", 50/52 gr, prices per pound: US, 42¢; Canada, 41 1/2¢; China, 42¢; Japan, 40¢; Norway, 41 1/2¢; Austria, 41 1/2¢; Finland, 41 1/2¢. In reams, 31" x 43" 50/52 gr, 48/50-lb ream: Europe, \$22.50 ream; Japan, \$18.50; China, \$17.50 to \$22 ream. **Flint**—China, 31-lb ream, 20" x 30", \$31.50 ream. **Glassine**—Europe, 30 gr, 26-lb ream, 30" x 40", \$34 ream. China, 31 gr, 26 1/2-lb ream, \$27.50 ream. **Straw Board**—Japan, 26" x 31": 8 oz, \$450 per ton; 8 1/6 oz, \$455. China: 8 1/6 oz, \$430; 20/32 oz, \$490. **Aluminum Foil**—Europe, 50 gr, 28-lb ream, 20" x 26", thick, golden colour, \$77 ream; silver, \$46 ream. **Cellophane**—30 gr, 36" x 39", colourless: UK, \$66.50 ream; Japan, \$58; Italy, \$64; France, \$61.50. Coloured, Europe, \$86 ream. **Art Printing**—One-side coated, 31" x 43": UK, 90 gr, 85-lb ream, \$95 ream; Japan, 88/89 gr, 83/85-lb ream, \$74.50. Two-side coated: UK, 95 gr, 88-lb ream, \$102 ream; Japan, 95¢ per lb. **Bond**—White, 22" x 34", 60 gr, 32-lb ream: Europe, with water mark and brand name, \$26 to \$31.50 ream; Japan, \$21.50 to \$22.50. Coloured: Europe, \$32.50 ream; Japan, \$24. **Woodfree Printing**—31" x 43", 60 gr, 57/100-lb ream: Europe, 70¢ lb; Japan, 68¢; China, \$29 ream. **Mechanical Printing**—Europe, 31" x 43", 60 gr, 57-lb ream, \$31 ream. **Manifold**—White, 22" x 34" prices per ream: Europe, 30 gr, 16-lb ream, \$16.40 to \$18.30; China, 28 gr, 15-lb ream, \$12.20. Coloured: Europe, \$18.30; China, \$13.30. **Poster**—Japan, 31" x 43", 58/60 gr, 56/57-lb ream, \$40.50 ream. China, 19 1/2 kilo,

42-lb ream, \$19.20 ream. **Tissue**—Europe, 17 gr, 13 1/2-lb ream, 25" x 44", \$15 ream. **Grease Proof**—Europe, 40 gr, 34-lb ream, 30" x 40", \$27.50 ream. **MG Cap**—White: Japan, 25" x 44", 22/23 gr, 17 1/2-lb ream, \$11 ream; China, 31" x 43", 13.8-kiloream, \$14.80 ream. Coloured: Japan, \$7.90; China, \$7.70 ream. **MG Pure White Sulphite**—Europe, 35" x 47": 34 gr, 40-lb ream, \$27.50 ream; 50/90 gr, 60/100-lb ream, 68¢ lb. **MG White Sulphite**—40 gr, 47-lb ream, 35" x 47": Europe, \$29 ream, China, \$23. **MG Pure Ribbed Kraft**—Europe: 30 gr, 46-lb ream, 35" x 47", \$29 ream; 60/160 gr, 75/160-lb ream, \$0.73 pound. Japan: 38/39 gr, 39/40-lb ream, \$24 ream; 60/100 gr, 58/120-lb ream, \$0.63 pound. **MG Ribbed Kraft**—Europe, 60/150 gr, 70/160-lb ream, 35" x 47", \$0.68 pound. China, 48-lb ream, \$23.70 ream.

#### PHARMACEUTICALS

**Penicillin Ointment**—UK, \$6.20 per doz 1-oz tubes each ounce containing 5,000 units. **Penicillin Oral Tablets**—UK, expiration date 1961, 55¢ per carton or 12 tablets each containing 50,000 units. **Procaine Penicillin**—(G in oil with Aluminum Monostearate)—US, 1962, \$2.10 per 10 cc vial each cc containing 300,000 units. **Dihydrostreptomycin**—UK, 1960, \$2.85 per vial of 5 grams. **Sulfathiazole Powder**—Europe, \$10.80 lb. UK, \$11.20. **Quinine Dihydrochloride**—Holland, \$234 per 100-oz tin. **PAS Tablets**—UK, \$15 per tin of 1000 tablets. **Aspirin Powder**—UK, \$2.85 lb. Europe, \$2.70 to \$2.85 lb. **Vitamin C Powder**—Germany, \$55 per 1-kilo tin. **Gum Acacia**—UK, grade 2, \$2.50 per lb. **Saccharum Lactose**—UK, \$1.05 per lb. Holland, 95¢. New Zealand, 91¢. **Vitamin B1 Powder**—Germany, \$190 per 1-kilo tin.

#### INDUSTRIAL CHEMICALS

**Acetic Acid**—Japan, glacial (99/100%), 73¢ lb. **Citric Acid**—UK, granular, 1-cwt drum, \$1.85 lb. **Cresylic Acid**—UK, 71¢ lb. **Oxalic Acid**—Japan, 50-kilo paper bag, 78¢ lb. **Stearic Acid**—Australia, needle form, 85¢ lb. Belgium, needle, \$1 lb. **Sulphuric Acid**—HK, 10¢ lb. **Ammonium Chloride**—UK, \$675 per ton. **Bicarbonate of Soda**—China, refined, \$21 per 50-kilo bag. UK, \$46.50 per 100-kilo bag. **Carbon Black**—Germany, \$78 per 72-kilo case. **Caustic Soda**—China, \$102 per 200-kilo drum. Germany, 400-kilp drum, \$515 per ton. UK, \$187 per 340-kilo drum. **Formalin**—UK, 37¢ lb. **Glycerine**—China, \$1.60 lb. Europe, \$1.75 lb. **Gum Arabic**—Sudan, \$1 lb. **Gum Copal**—Malaya, No. 1, \$210 per picul. **Gum Damar**—Malaya, No. 1, \$265 picul. **Hyposulphite of Soda**—UK, 34¢ lb. **Lithopone**—China, 30%, 28¢ lb. **Petrolatum**—Germany, amber, 23¢ lb. **Shellac**—India, No. 1, \$214 per picul. **Soda Ash**—China, \$23.50 per 75-kilo bag. UK, light, \$30.50 per 70-kilo bag. **Sodium Nitrate**—China, \$25.50 picul. Germany, \$27.50 picul. **Sodium Sulphide**—China, \$600 per ton. **Talcum**

**Powder**—China, \$235 per ton. India, \$310. **Ultramarine Blue**—Holland, \$87 picul.

#### COTTON YARN

**Hongkong Brands**—Yarn of 10 counts, \$750 to \$890 per bale; 12's, \$830 to \$920 bale; 20's, \$870 to \$1,010; 30's, \$1,250; 32's, \$1,250 to \$1,270; 40's, \$1,350 to \$1,370; 42's, \$1,500. **Japanese Brands**—40's, \$1,250 to \$1,300; 42's, \$1,360 to \$1,400. **Indian Brands**—10's, \$695 to \$730; 20's, \$815 to \$920; 32's, \$1,060. **Pakistani Brands**—10's, \$690 to \$775; 16's, \$880; 21's, \$880 to \$920; 32's, \$1,150 to \$1,220. **Chinese Brands**—20's, \$910; 32's, \$1,150; 40's, \$1,250 bale.

#### COTTON PIECEGOODS

**Grey Sheeting**—China: 60 x 60, 36" x 40 yds, \$30.50 pc; 60 x 56, 36" x 40 yds, \$30.20 pc. HK, 60 x 56, 36" x 40 yds, forward, \$35.50 pc. India: 44 x 48, 35" x 40 yds, \$22.50 pc; 40 x 36, 35" x 40 yds, \$21.20 pc. Japan, 72 x 69, 38" x 40 1/2 yds, \$25.30 pc. **Grey Jeans**—China, \$24.80 pc. HK, \$25 to \$26 pc. **White Shirting**—Japan, 36", \$1.18 to \$1.40 per yard.

#### RICE

**Whole Rice**—Thailand, 100%, 2nd grade, \$57.10 picul. **White Rice**—Thailand: special, 3%, new, \$55.60 picul; 5%, new, 1st, \$55; 10%, new, 1st, \$52.80; 15%, new, 1st, \$50.30; 3-quarter, \$47. **Cambodia**, 1st, \$47.30; 2nd, \$46.50. **Canton**: special, \$45.30; 1st, \$42.30. **Burma**, \$39. **Broken Rice**—Thailand: Al extra, \$46.30; Al new, \$40.80; Al ordinary, \$37.80; Cl Special, old, \$33.30. **Cambodia**, \$32 picul. **Glutinous Rice**—Thailand, special, \$43.80 picul.

#### WHEAT FLOUR

**Australian Brands**—\$12.40 to \$13.50 per 50-lb bag. **American Brands**—\$24.50 per 100-lb bag and \$13.50 to \$14.30 per 50-lb bag. **Canadian Brands**—\$32 per 100-lb bag and \$15.30 to \$16.30 per 50-lb bag. **Japanese Brands**—\$10.40 to \$12.40 per 50-lb bag. **Hongkong Brands**—\$11.70 to \$17 per 50-lb bag and \$32.80 per 150-lb bag.

#### SUGAR

**White Granulated Sugar**—Taiwan, refined, No. 24, forward, \$41.60 picul. Canton, \$37.80. HK, fine, \$41.80. Japan, fine, \$42.20. **Brown Sugar**—Taiwan, refined, No. 18, \$34.50 picul. HK, \$32.90. Africa, 1st, \$35.20.

#### CEMENT

**Ordinary Cement**—HK: Emeraldet \$6.70 per 112-lb bag; Emerald, \$5.80 per 112-lb bag and \$5.30 per 100-lb bag. Japan, \$5.30 per 100-lb bag. China, forward, 45-kilo bags, \$105 per metric ton cif HK ex-ship. Taiwan, \$103 per metric ton, spot. **White Cement**—HK, Snowcrete, \$72 per 375-lb drum and \$15 per 1-cwt bag. Japan, \$14.40 per 1-cwt bag. Denmark, \$15.40 per 50-kilo bag.



## HONGKONG'S TRADING PARTNERS IN 1957

## PART VII

SOUTH AMERICA, N.E.S.			DIVISION		IMPORTS	EXPORTS
DIVISION	IMPORTS	EXPORTS			H.K.\$	H.K.\$
	H.K.\$	H.K.\$				
Meat and meat preparations ..	—	27,049	Sugar and sugar preparations	—	1,752,155	
Dairy products, eggs and honey	—	1,845	Coffee, tea, cocoa, spices and manufactures thereof .....	—	13,890	
Fish and fish preparations .....	21,539	375,297	Feeding stuffs for animals (not including unmilled cereals)	777,487	—	
Cereals and cereal preparations	—	68,931	Miscellaneous food preparations	—	190,518	
Fruits and vegetables .....	—	304,033	Beverages .....	—	14,763	
Sugar and sugar preparations	—	11,931	Tobacco and tobacco manufactures .....	13,698	11,899	
Coffee, tea, cocoa, spices and manufactures thereof .....	—	866,114	Wood, lumber and cork .....	2,499,371	—	
Miscellaneous food preparations	—	126,231	Pulp and waste paper .....	—	1,223,351	
Beverages .....	—	3,150	Textile fibres and waste .....	1,294,508	—	
Oil-seeds, oil nuts and oil kernels	—	16,055	Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	66,576	10,224	
Textile fibres and waste .....	1,055,992	—	Animal & vegetable crude materials, inedible, n.e.s. ....	1,041,774	240,170	
Animal & vegetable crude materials, inedible, n.e.s. ....	2,580	103,324	Animal and vegetable oils (not essential oils), fats, greases and derivatives .....	—	6,312,180	
Chemical elements and compounds .....	—	26,150	Chemical elements and compounds .....	—	268,451	
Medicinal and pharmaceutical products .....	—	127,458	Dyeing, tanning and colouring materials .....	102,700	780,118	
Essential oils and perfume materials; toilet, polishing and cleansing preparations .....	—	9,882	Medicinal and pharmaceutical products .....	—	7,874,838	
Explosives and miscellaneous chemical materials and products .....	340,639	466,453	Essential oils and perfume materials; toilet, polishing and cleansing preparations ..	—	423,402	
Leather, leather manufactures, n.e.s., & dressed furs .....	—	1,020	Explosives and miscellaneous chemical materials and products .....	—	454,170	
Wood and cork manufactures (excluding furniture) .....	—	39,803	Leather, leather manufactures, n.e.s., & dressed furs .....	—	33,276	
Paper, paperboard and manufactures thereof .....	—	4,266	Rubber manufactures, n.e.s. ....	—	335,393	
Textile yarn, fabrics, made-up articles and related products	45,113	739,956	Wood and cork manufactures (excluding furniture) .....	1,900	8,804	
Non-metallic mineral manufactures, n.e.s. ....	—	280,107	Paper, paperboard and manufactures thereof .....	—	501,228	
Silver, platinum, gems and jewellery .....	—	79,828	Textile yarn, fabrics, made-up articles and related products	491	9,729,263	
Manufactures of metals .....	—	2,536,108	Non-metallic mineral manufactures, n.e.s. ....	—	711,662	
Machinery other than electric	—	17,160	Silver, platinum, gems and jewellery .....	652,057	126,908	
Electric machinery, apparatus and appliances .....	—	400,499	Base metals .....	—	1,845,104	
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings .....	—	2,276,054	Manufactures of metals .....	—	2,980,022	
Furniture and fixtures .....	—	39,637	Machinery other than electric	—	3,136,084	
Travel goods, handbags and similar articles .....	—	69,688	Electric machinery, apparatus and appliances .....	—	968,831	
Clothing .....	—	1,004,980	Transport equipment .....	—	2,186,853	
Footwear .....	—	65,812	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings .....	—	716,496	
Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks .....	—	31,060	Furniture and fixtures .....	—	25,872	
Miscellaneous manufactured articles, n.e.s. ....	—	1,175,043	Travel goods, handbags and similar articles .....	—	6,982	
Total .....	1,465,863	11,294,924	Clothing .....	—	51,968	
			Footwear .....	—	61,899	
			Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks .....	9,000	312,228	
			Miscellaneous manufactured articles, n.e.s. ....	1,500	4,794,034	
			Total .....	16,881,200	49,620,791	

## BURMA

DIVISION	IMPORTS	EXPORTS
	H.K.\$	H.K.\$
Meat and meat preparations ..	—	4,925
Dairy products, eggs and honey	—	5,499
Fish and fish preparations .....	—	96,866
Cereals and cereal preparations	1,021,198	933,622
Fruits and vegetables .....	9,398,940	476,843

CHINA					
DIVISION	IMPORTS H.K.\$	EXPORTS H.K.\$	DIVISION	IMPORTS H.K.\$	EXPORTS H.K.\$
Live animals, chiefly for food	141,242,248	131,764	Footwear	1,782,567	—
Meat and meat preparations	29,925,040	270	Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks	305,314	5,314,767
Dairy products, eggs and honey	57,847,576	7,233	Miscellaneous manufactured articles, n.e.s.	20,558,927	1,928,545
Fish and fish preparations	56,965,752	402	Live animals, not for food	196,521	—
Cereals and cereal preparations	57,333,917	43,411	Total Merchandise	1,131,102,451	123,351,977
Fruits and vegetables	143,956,600	166,050	Gold and specie	450,000	—
Sugar and sugar preparations	928,449	5,526,280	Grand Total	1,131,552,451	123,351,977
Coffee, tea, cocoa, spices and manufactures thereof	31,449,610	281,264			
Feeding stuffs for animals (not including unmilled cereals)	1,204,097	226,206			
Miscellaneous food preparations	4,205,617	243,187			
Beverages	4,711,286	72,661			
Tobacco and tobacco manufactures	803,059	24,461			
Hides, skins and fur skins, undressed	8,536,160	—			
Oil-seeds, oil nuts and oil kernels	15,168,732	—			
Crude rubber, including synthetic and reclaimed	—	686,358			
Wood, lumber and cork	17,327,977	2,071,039			
Pulp and waste paper	—	176,676			
Textile fibres and waste	13,887,910	3,283,630			
Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	6,959,128	293,051			
Metalliferous ores and metal scrap	374,572	85,988			
Animal & vegetable crude materials, inedible, n.e.s.	101,691,551	8,342,627			
Mineral fuels, lubricants and related materials	17,031,933	102,487			
Animal and vegetable oils (not essential oils), fats, greases and derivatives	35,221,360	89,817			
Chemical elements and compounds	7,929,586	2,096,531			
Dyeing, tanning and colouring materials	5,500,676	7,609,225			
Medicinal and pharmaceutical products	4,829,796	8,450,017			
Essential oils and perfume materials; toilet, polishing and cleansing preparations	8,841,063	540,161			
Fertilizers, manufactured	—	7,777,575			
Explosives and miscellaneous chemical materials and products	2,332,243	2,872,829			
Leather, leather manufactures, n.e.s., & dressed furs	449,543	3,116			
Rubber manufactures, n.e.s.	583,282	105,878			
Wood and cork manufactures (excluding furniture)	3,954,903	223,984			
Paper, paperboard and manufactures thereof	33,046,863	5,027,229			
Textile yarn, fabrics, made-up articles and related products	201,384,836	24,115,995			
Non-metallic mineral manufactures, n.e.s.	42,438,907	282,105			
Silver, platinum, gems and jewellery	4,616,489	390,838			
Base metals	5,188,877	22,538,486			
Manufactures of metals	8,162,277	3,441,362			
Machinery other than electric	3,982,939	2,486,836			
Electric machinery, apparatus and appliances	2,327,355	1,801,925			
Transport equipment	236,287	3,408,202			
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	2,366,834	446,127			
Furniture and fixtures	2,504,591	56,396			
Travel goods, handbags and similar articles	991,589	3,000			
Clothing	19,817,612	575,886			

TAIWAN		
DIVISION	IMPORTS H.K.\$	EXPORTS H.K.\$
Live animals, chiefly for food	6,062,434	—
Meat and meat preparations	7,980	44,352
Dairy products, eggs and honey	—	1,185,363
Fish and fish preparations	2,700	1,475,025
Cereals and cereal preparations	—	155,952
Fruits and vegetables	4,011,792	1,165,797
Sugar and sugar preparations	40,334,847	110,390
Coffee, tea, cocoa, spices and manufactures thereof	4,334,383	142,750
Feeding stuffs for animals (not including unmilled cereals)	4,235	17,200
Miscellaneous food preparations	21,589	507,725
Beverages	253,533	1,358,447
Tobacco and tobacco manufactures	5,386	371,854
Hides, skins and fur skins, undressed	—	2,827,634
Oil-seeds, oil nuts and oil kernels	—	400
Crude rubber, including synthetic and reclaimed	—	15,558
Wood, lumber and cork	76,592	272,919
Textile fibres and waste	—	3,155,398
Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	37,117	643,180
Metalliferous ores and metal scrap	69,275	234,068
Animal & vegetable crude materials, inedible, n.e.s.	1,988,887	8,621,429
Mineral fuels, lubricants and related materials	322,600	151,789
Animal and vegetable oils (not essential oils), fats, greases and derivatives	—	566,980
Chemical elements and compounds	256,182	1,960,284
Dyeing, tanning and colouring materials	—	2,836,537
Medicinal and pharmaceutical products	907,605	4,484,152
Essential oils and perfume materials; toilet, polishing and cleansing preparations	1,910,810	522,542
Explosives and miscellaneous chemical materials and products	960	1,992,834
Leather, leather manufactures, n.e.s., & dressed furs	3,192	411,784
Rubber manufactures, n.e.s.	—	448,888
Wood and cork manufactures (excluding furniture)	359,589	439,983
Paper, paperboard and manufactures thereof	761,669	700,141
Textile yarn, fabrics, made-up articles and related products	9,263,138	3,665,803
Non-metallic mineral manufactures, n.e.s.	2,880	430,538



DIVISION	IMPORTS H.K.\$	EXPORTS H.K.\$
Silver, platinum, gems and jewellery .....	—	117,878
Base metals .....	—	4,540,127
Manufactures of metals .....	100	728,539
Machinery other than electric ..	39,366	1,918,947
Electric machinery, apparatus and appliances .....	90,615	1,544,432
Transport equipment .....	8,300	2,366,736
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings .....	—	308,418
Furniture and fixtures .....	—	222,940
Travel goods, handbags and similar articles .....	—	101,466
Clothing .....	3,370	1,196,790
Footwear .....	—	203,631
Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks .....	297,927	3,812,040
Miscellaneous manufactured articles, n.e.s. ....	289,845	2,622,410
Live animals, not for food ....	—	1,162
<b>Total .....</b>	<b>71,728,898</b>	<b>60,603,212</b>

#### KOREA, NORTH

DIVISION	IMPORTS H.K.\$	EXPORTS H.K.\$
Textile yarn, fabrics, made-up articles and related products	—	19,200
Manufactures of metals .....	—	13,200
<b>Total .....</b>	<b>—</b>	<b>32,400</b>

## HONGKONG STATISTICS

January-June 1958

**Vital Statistics**—Jan/June Totals: Births, 46,975 (Chinese 46,374, Non-Chinese 601); Deaths, 10,451 (10,331, 120).

**Arrivals & Departures of Persons**—Jan/June Totals: Arrivals, 582,595; Departures, 547,814; Net Increase, 34,781. (These figures do not include direct transit passengers and members of the Armed Forces.)

#### ARRIVALS

Nationality	Air	Sea	Land	Total
British .....	13,353	10,507	482	24,342
Chinese .....	7,983	311,310	179,015	498,308
Aliens .....	45,226	13,318	1,401	59,945
	<b>66,562</b>	<b>335,135</b>	<b>180,898</b>	<b>582,595</b>

#### DEPARTURES

Nationality	Air	Sea	Land	Total
British .....	12,928	7,768	403	21,099
Chinese .....	14,020	281,319	175,605	470,944
Aliens .....	42,704	12,019	1,048	55,771
	<b>69,652</b>	<b>301,106</b>	<b>177,056</b>	<b>547,814</b>

**Food Supply**—Jan/June Totals: Animals Slaughtered, 542,909 head including 489,176 head of hogs; Fish Marketed, 23,124 tons; Vegetables Marketed, 45,395 tons including 1,103 tons imported.

**General Retail Price Index**—(March 1947: 100)—January 113, February 118, March 116, April 114, May 115, June 115.

**Hongkong Clearing House Figures**—January, \$1,555,568,-089; February, \$1,332,466,395; March, \$1,293,127,819; April, \$1,312,770,264; May, \$1,352,859,266; June, \$1,234,674,970.

**Banknotes in Circulation**—January, \$755,174,710 (HK Bank \$691.7 million, Chartered Bank \$59.5 m, Mercantile Bank \$3.9 m); February, \$755,830,070 (HKB \$691.7 m, CB \$60.1 m, MB \$4 m); March, \$754,606,575 (HKB \$691.7 m, CB \$59 m, MB \$3.9 m); April, \$756,073,950 (HKB \$691.7 m, CB \$60.2 m, MB \$4 m); May, \$755,588,880 (HKB \$691.7 m, CB \$59.8 m, MB \$3.9 m); June, \$754,190,495 (HKB \$691.7 m, CB \$58.7 m, MB \$3.7 m).

**Company Registration**—New Private Companies Registered (Jan/June): 179 local; 18 foreign. Companies Dissolved (Jan/June): 37 local; 8 foreign. Total Number Registered at the end of June: 3,122 local; 376 foreign.

**Factory Registration**—Jan/June Totals: Applications Received, 326; Cancelled, 92; Refused, 6; Certificates Issued, 267.

**Production of Electricity and Gas**—Jan/June Totals: Electricity, 388,893,759 kw. hrs.; Gas, 369,894,800 cubic feet.

**Production of Cement**—Jan/June Total, 77,236 metric tons.

**Production of Minerals**—Jan/June Totals: Feldspar, 986.22 tons; Graphite, 1,051.50 tons; Iron Ore, 52,140.42 tons; Kaolin, 4,234.24 tons; Lead Ore, 35.99 tons; Quartz, 2,036.24 tons; Wolframite, 20.47 tons.

**Number of Vehicles and Drivers**—New Vehicles Registered in Jan/June and (Totals on June 30): Motor Cycles, 228 (2,194); Private Cars, 1,826 (23,449); Taxis, 63 (693); Buses, 73 (731); Public Lorries, 787 (2,730); Private Lorries, 263 (2,366); Construction Site Lorries, 70 (388); Government Vehicles, 87 (1,156); Private Rickshaws, 16 (16); Public Rickshaws, 0 (853); Tricycles, 0 (797); Trailers, 0 (9); Sedan Chairs, 6 (6); Tramcars, 0 (138). New Driving Licences Issued in Jan/June and (Totals on June 30): Motor Car Drivers, 6,546 (82,597); Construction Site Drivers, 185 (994); Driving Instructors, 122 (938); Rickshaw & Tricycle Drivers, 3,154 (3,154).

**Kowloon-Canton Railway (British Section) Traffic**—Passengers, Jan/June Totals: Upward, 1,305,831; Downward, 1,307,123; Concession Tickets, 42,841. Freight, Jan/June Totals: Upward, 5,821,920 kilos; Downward, 81,655,950 kilos.

**Building Construction**—Total Number of Buildings Completed in Jan/June: 828 (Victoria 132, HK Island 132, Kowloon 564). Cost of Building: \$79,540,640 (Vic \$17.3 m, HK \$21.7 m, Kln \$40.5 m). Cost of Site Work: \$2,682,796 (Vic \$285,494, HK \$1,237,444, Kln \$1,159,858).

**Land Transactions**—Jan/June Totals: (Assignments of Properties, 3,878 (\$250 m); Mortgages, 1,700 (\$172 m); Reassignments, 1,167 (\$87 m).